The China Weekly REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

Beaverbrook and Stimson Discuss Anglo-American Cooperation

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General Yang Yung-tai Brings Improvements to Hupeh . . . . . By S. Y. Chi

SATURDAY, SEPTEMBER 19, 1936 VOLUME 78, NUMBER 3

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Registered at the Chinese Post Office as a Newspaper for transmission with special marks privileges in China.

Volume 78 | Shanghai, China, Saturday, September 19, 1936 | Number 3

THE CHINA WEEKLY REVIEW

Formerly Millard's Review

Cable Address "REVIEWING SHANGHAI"

PUBLISHED AT NO. 160 AVENUE EDWARD VII, SHANGHAI, CHINA, BY MILLARD PUBLISHING COMPANY, INCORPORATED BY THE LAWS OF THE STATE OF DELAWARE, UNITED STATES OF AMERICA.

J. B. POWELL, Editor and Publisher; GEO. W. MISSEMER Asst. Editor; TRYPHON V. KU, Advertising Dept.; F. K. CHAO, Business Dept.

YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, TWELVE DOLLARS (CHINESE CURRENCY) IN ADVANCE, POSTAGE INCLUDED IN CHINA AND JAPAN. IN THE UNITED STATES AND FOREIGN COUNTRIES EIGHT DOLLARS U.S. CURRENCY. REMITTANCES FROM OTHER COUNTRIES THAN CHINA AND THE U.S. CAN BE MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 1917.

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COMMUNICATIONS PERTAINING TO SUBSCRIPTIONS OR ADVERTISING IN CHINA OR ABROAD SHOULD BE ADDRESSED TO THE CHINA WEEKLY REVIEW AT 160 AVENUE EDWARD VII, SHANGHAI, CHINA, TELEPHONE 14741. CABLE ADDRESS "REVIEWING SHANGHAI."

ACROSS PACIFIC BY AIR BOTH NORTH AND SOUTH OF JAPAN

THERE were two important developments in Pacific aviation recorded last week, the full significance of which were not generally realized, judging from the newspaper comment. Shanghai did, of course, realize the importance of the report from Hongkong that the British colonial authorities had finally agreed to the landing there of trans-Pacific planes operated by Pan-American Airways, thus bringing the China coast within seven or eight days of San Francisco for mail and passengers. What that will mean in the future contacts of U. S. and Asia can only be a matter of speculation now, but its importance cannot be underestimated. Shanghai has already been receiving American air-mail with postmarks indicating dispatch only nine or ten days previously; now that will be cut down to seven or eight days depending on contacts with China National Aviation Corporation planes which also will use the Hongkong base in future.

But of equal significance, ranking with the completion of the airline across the South Pacific, was the successful culmination of the pioneering flight of the two Soviet airmen Levanevsky and Levchenko who landed at Moscow on Sept. 13, having completed a 12,000 mile flight from Los Angeles by way of Alaska. The Alaskan route had been pioneered before by round-the-world aviators, both Americans and Russians, and it was generally known that the object of the flight to the Orient by that route of Colonel and Mrs. Lindbergh in 1931-1932 was to stimulate interest in the development of the Alaskan airway to the Orient. The potential importance of that route should not be overlooked because it is an "all-land" airline with the exception of a narrow strip of sea at Bering Strait. The Russians are particularly interested in that route and probably will take a major part in its future development because of the quickened contact which it will provide between their country and the North American continent. The Russians wil enjoy a special ad-

vantage on that route because of their familiarity with flying conditions in Arctic regons.

As peacetime aviation developments are inevitably linked with wartime eventualities, there was dramatic significance in the fact that the Pacific has now been spanned by high-power, long-range cruising planes both north and south of Japan. Why Imperial Japan has not participated in these pioneering developments need not be discussed here, but the hostile and inhospitable attitude of the Japanese military authorities toward American round-the-world aviators, including the official slurs on the objectives of the Lindbergh flight provide a hint as to why Japan has been left out. Japan should provide a natural link in Pacific aviation whether by Southern or Northern Route, but the Japanese can thank the ignorance and suspicions of their militarists for the fact that more progressive and forward-looking nations have now demonstrated the possibility of crossing the Pacific without landing on the Japanese mainland or even the mandated islands of the South Pacific.

The northern aviation route by way of Alaska will be greatly stimulated by the development of air-bases on the Alaskan coast, the appropriations for which were included in the last military appropriation bill passed by the U. S. Congress. For the past two years the U. S. Army and Naval air services have been engaged in surveys of the Alaskan coast including the Aleutian Islands with the object of selecting suitable sites for aviation establishments. Although not generally known the U. S. Government has already developed a civilian aviation service linking up heretofore inaccessible parts of the vast territory. In 1932 commercial planes carried 6,637 passengers for a total of 942,-176 passenger miles without loss or injury. The Territorial Legislature has supplied funds for the construction of some 72 landing fields. A further stimulus to aviation development not only in the Alaskan territory but between Alaska and Canada and the United States will be provided as a result of the establishment of the so-called Matanuska colony in the Alaskan territory two years ago. This colony of American settlers consisting of 173 families transferred from the drought-stricken sections of the northern states has successfully emerged from the construction stage and has reached the "producing and processing stage," according to a recent *Associated Press* report quoting one of the leaders to the effect that the Alaskan citizens soon would be demanding full statehood in the American Union. The Alaskan territory, consisting of 586,400 square miles or nearly twice the size of Manchuria, is the most sparsely settled territory of the United States, the total population, including native Indians, being only 60,000. Alaska, originally colonized by Russians, was sold by Czarist Russia to the United States in 1867 for the sum of G.$7,200,000. The Aleutian Islands which extend in a semi-circle toward Asia from the Alaskan coast, provide numerous excellent harbors, particularly the one known as Dutch Harbor on Unalaska Island. The island Attu, last of the Aleutian chain is almost within sight of the northern islands of Japan and is in the same longitude as New Zealand.

CHINA'S INTEREST IN HITLER'S DEMAND FOR COLONIES

CHINA has special reason for interest in Hitler's demand for return of colonies because of Germany's former possession of considerable Chinese territory—the leased area about Kiaochow Bay and other interests in Shantung and the concessions in Tientsin and Hankow. For several months there has been talk in Tientsin about "restoring" the old concessions in that city to Germany, it being hinted that Japan might engineer the deal as a phase of the much discussed German-Japanese "alliance." But it is difficult to imagine Japan's assisting even her German friends and potential military allies in obtaining slices of Chinese territory, the reasons being unnecessary to mention. The same holds true with respect to the former German interests in Shantung which Japan forcibly took from Germany soon after the beginning of the World War in 1914, but which Japan was compelled to return to China following the Washington Arms Conference in 1922. Although China has had continuous administrative control of Shantung, since 1922, with the exception of a brief period in 1927-1928 when the Japanese sent their troops back, there is little likelihood that Japan would permit Germany or any other non-Japanese interest to interfere in that area; she wants it all herself! China has little reason for worry at Hitler's ranting about the return of colonies because the former German controlled territories in this country are now "protected" by the might of Imperial Japan, a far greater source of worry than was the original German control, but at least the officials of the Waichiaopu need not lie awake in fear that Hitler will unfurl his Nazi-Swastika emblem over Chinese territory. It also has been reported that Hitler has assured the Japanese that he does not intend to demand return of the Mandated islands of the South Pacific which the Japanese also seized at the beginning of the war. The propaganda demonstrations for the return of colonies now taking place in Germany have African territories as their chief objective, it having been pointed out that both Germany and Italy have their eyes on Spain's African colonies, this being the price of their support of the Spanish rebels. The widespread nature and earnestness of the recent German demonstrations in favor of return of colonies should arouse deep interest in those countries which do not possess sufficient military strength to defend themselves—also there should be interest in the United States where several recent books have been published with the

object of proving that colonial administrations do not pay the controlling nation.

SHANGHAI'S THREATENED BANKRUPTCY AND THE JAPANESE

IT was more than a coincidence that Yukichi Hayashi, president of the Japanese Federated Street Unions, handed the Municipal Council of the International Settlement a demand for a 10 to 30 percent reduction in land taxes—only three days following the publication of a report in the *North-China Daily News* from official sources claiming that it would shortly be necessary to increase taxes from the present 14 percent to 16 percent. The long report in the *N. C. D. N.*, issued for the undoubted purpose of paving the way for either an increase in taxes or a drastic cut in local municipal expenditures, indicated that the International Settlement has practially reached the end of its financial rope—meaning that it has expended the surplus piled up as a result of the sale of the municipally owned electric light and power plant. It was pointed out that it had been necessary to dip into reserves to the extent of $2,000,000 in order to balance the 1936 budget and that it will be necessary to dip again into reserves to the extent of $3,250,000 in order to balance the 1937 budget.

Shanghai's outstanding indebtedness on June 30, according to the report was $39,692,284 against which fully invested sinking funds were held to a total of $9,507,889, the net indebtedness therefore being sightly over $30,000,000. As security for the debt the Municipal Council possesses buildings and lands assessed at $66,788,775. How a bondholder would go about foreclosing on the Settlement's property was not indicated in the report!

Since it would be impossible, due to Japanese opposition, if for no other reason, to raise the municipal tax rate at the present time, there is no alternative but to face the problem of reducing municipal expenditures. In this connection the report in the *N. C. D. N.*, cited the following figures:

	1928	1936
Volunteer Corps	$217,639	$690,140
Police Force	4,504,163	9,901,640
Education Dept.	775,656	1,740,400
Health Dept.	1,181,959	2,106,620
Works Dept.	3,569,212	5,372,490

Attention immediately attaches to the phenomenal increases which have taken place in the Settlement's protective branches, Volunteer Corps and Police Force. The cost of the Police Force has doubled while that of the Volunteers has tripled. Substantial savings could be made here, but the actual controllers of the Settlement, chiefly of British nationality, will view that suggestion with mixed feeling because a cut in the Settlement's protective arms will mean an automatic strengthening of the Japanese position as the dominating element in the foreign-controlled area. It is unnecessary to call attention to the extensive and growing Japanese naval barracks on the Hongkew border of the Settlement adjoining Chapei and the Chinese Municipality. The barracks, housing the Japanese naval landing party exceeding 2,000 men, with hospitals and including the even more significant Shinto shrine located directly across the street, indicate Japan's intentions here. Attention also might be called to the quite recent Japanese action in arming some 350 Japanese students in the local commercial school, not to mention the reservists' organizations and the almost daily parade of tanks and armed motorcycles through the streets, plus the elaborate maneuvers which monopolize the public streets of Hongkew, Wayside and Yangtszepoo for several hours every week.

Obviously the only thing which keeps the Japanese from completely overrunning the Settlement is the potential opposition offered by the Ocidental controlled Volunteer Corps and Police Department. Neither the American Marine force or the British military forces stationed here could be used to oppose Japanese occupation of the Settlement; they are here to protect and, if it should ever be necessary, guard the evacuation of the foreign (occidental) residents. They could not be used to prevent Japanese occupation of the Settlement unless Britain and America were prepared to face the larger and more serious problem of war with Japan.

Therefore the prospect of reducing the Settlement's protective department will arouse serious forebodings in the local foreign communities and also abroad. Better face the prospect of increased taxes, but here, as pointed out by the article in the *N. C. D. N.*, this also presents difficulties of most serious nature because of the business depression. A casual inspection of vacant business and residence property on almost any street in the city indicates the seriousness of the depression and impossibility of increasing municipal revenues by increasing taxation.

While the financial situation in the local French Concession is not known to the public due to the dictatorial control exercised by the French Consulate-General, it is thought that conditions probably are as critical as they are in the International Settlemnet. As for the Municipality of Greater Shanghai, controlled by the Chinese authorities, its finances due to the construction of the magnificent new Civic Center and other improvements, are also thought to be considerably strained, particularly in view of the Municipality's lack of taxable resources as enjoyed by the foreign-administered areas. In view of this generally critical financial situation facing the entire municipality, and the apparent inability of any of the municipal units to solve its problems individually, good judgment would suggest a pooling of interests—but that would require statesmanship of a high order not visible within our horizon!

Beaverbrook Urges Anglo-U.S. Alliance in Pacific—Colonel Stimson's Criticism

LORD Beaverbrook, who was Minister of Information in the British Government in the World War and who is now one of the most influential figures in the British publishing world, wrote an article in the August number of the *American Mercury* advocating a military alliance between Great Britain and the United States. The subject is of special interest because of Japan's recent moves to restore her friendly relations with England and discussions in the Japanese press indicating a desire in certain quarters in Japan to resume the old Anglo-Japanese Alliance which was discarded by Britain following the Washington Arms Conference in 1922.

Sir Hughe Montgomery Knachbull-Hugessen's recent stop-over in Japan for a discussion of Anglo-Japanese relations—prior to his arrival in China for the presentation of his credentials as Ambassador to this country—added further local interest to the subject of Britain's relations with the United States of America.

That there are powerful interests in England favorable to a renewal of the old alliance with Imperial Japan was evidenced in recent startling news, disclosed in Tokyo, of an alleged plan by Sir Samuel Hoare, First Lord of the British Admiralty, suggesting that Britain might extend diplomatic recognition to Manchukuo. But according to reports on the subject published in the *San Francisco Chronicle*, such British recognition would only be extended if and when Japan complied with the terms of Britain's proposal—Japan's definite agreement to protect British investments in North China and not to interfere with the British "sphere" in the Yangtsze Valley and South China.

Still further interest in the subject was added by the publication of a new book by Colonel Henry L. Stimson, who was Secretary of State in President Hoover's Cabinet and prior to that was Governor-General of the Philippines. According to the *United Press* message referring to Stimson's new book, the former United States Secretary of State sharply criticized Sir John Simon, former British Foreign Secretary, for his failure to join with the United States in evoking the terms of the Nine Power Treaty against Japan. Stimson charged that Simon's reluctance blocked any action which might have materially affected the course of developments in the Far East, leading to a situation which has since become most critical, threatening international complications on several fronts.

The brief summary of former Secretary Stimson's book telegraphed by the *United Press* quoted him as declaring that any agreement between Japan and the United States on the Manchurian situation is impossible at the present time, because no arrangement which would be consented to by Japan would be other than destructive and repugnant to China. Colonel Stimson reviewed in detail his negotiations with the other powers, chiefly Japan and Great Britain, following the Japanese occupation of Manchuria beginning with the Mukden Incident on the night of September 18th, 1931. Stimson said that before the occupation started he told Katsuji Debuchi, then Japanese Ambassador to Washington, that American opinion toward Japan had become "so kindly that he hoped to be able to solve the immigration question before his retirement from office."

Mr. Stimson severely criticized Great Britain for its failure to cooperate with the United States at the time of the Japanese invasion of Manchuria. He said that Britain's failure to cooperate constituted a rebuff to Washington after a policy of non-recognition of territories acquired had been forcibly enunciated. The failure of Britain to take a firm tone against Japan at that time had destroyed any Japanese belief in the possibility of Anglo-American cooperation, and had aided Japan's main argument that China's disunion prevented the application of treaties. Referring to Japan's present and continuing acts of aggression, Colonel Stimson pointed out that these activities have only harmed Japan's commerce and budget. He suggested that Japan eventually would realize that her own best interest depends upon friendly relations with China, which cannot be cultivated by forcible exploitation.

Regarding the activities of the League of Nations Colonel Stimson gave the Geneva organ credit for averting a war and blocking the direct annexation of Manchukuo by Japan. As to the future of the League, he expressed the opinion that its tie-up with the Versailles Treaty is its greatest weakness, because this makes the League an agency to preserve the status quo where change may be required.

Referring to the subject of Japanese-American friendship, he expressed the opinion that it would ultimately be developed, but there may be "an intermediate period of storm and stress."

The publication of Colonel Stimson's book, practically on the anniversary of Japan's seizure of Mukden in 1931 has an added interest due to the attention now being devoted to the subject of Anglo-American relations extending all the way from an informal understanding on Atlantic and European issues to a formal military alliance in the Pacific. But returning to the subject of Lord Beaverbrook's ad-

vocacy of a military alliance between the two great English-speaking nations, we find that leading British publicist expressing his emphatic belief that the United States and Britain ultimately would enter into a military and naval pact in the course of time. He declared there is no alternative for these two nations but to find security for the future in the companionship of one another.

Of special significance in this part of the world was his discussion of the "perils of the Pacific," which he listed as one of Britain's chief liabilities. He said, "The threat of the Japanese fleet, with behind it the threat of the Japanese Army, constitutes the chief peril of the Pacific Ocean." He described the Japanese Empire as "proud and ambitious, fanatically devoted to a national ideal, courageous in battle and highly equipped for war. This Oriental race of splendid qualities has shown itself in recent years swift and ruthless in action, patient and resolute in carrying out a program of expansion. For the moment its activities are directed to the Continent of Asia, but there are necessities which cannot be fulfilled in China. The Japanese seek an outlet for their population and they cannot find it in overpopulated China or climatically unsuitable Manchuria. They look across the Pacific Ocean toward the rising sun, symbol of their national flag, to the beautiful seaboard of California."

Lord Beaverbrook expressed the belief that an invasion of Australia by Japan would be a military enterprise fraught with immense perils, and while an attack on the Pacific Coast of the United States would have to deal with the serious obstacle of Hawaii, it would not compare in danger to an assault on Singapore. A landing on the north coast of Australia would be a landing on a undeveloped tropical territory with a small population and separated by deserts from the centers of Australian life, whereas a landing in California would not present such problems. California also has a further tremendous advantage—it possesses something which the Japanese want very badly—oil.

So far as the Pacific is concerned it appeared to Lord Beaverbrook that the United States had even heavier liabilities than the British Empire, but there were other things to be borne in mind. Britain has the biggest merchant fleet in the world, and her navy, equal to that of the United States on paper, is probably more powerful in fact. Also there are in the British Empire, particularly its Far Eastern portions, immense resources of raw material and industrial power. If there were closer relations between the two nations to the extent of an understanding, Britain would not come empty-handed to the association. She could contribute something of the highest value to the security of the United States, an undertaking to protect the Atlantic seaboard, thus enabling America to concentrate her whole Navy in the Pacific with the knowledge that her front door was barred and bolted by battleships flying the British flag. That would be a matter of great comfort to the American people in a moment of stress in the Pacific, particularly in that Britain possesses ships and naval stations sufficient to confer this benefit.

He argued that by uniting their resources both nations would gain a measure of security such as they could hardly hope to obtain by other means. Conversely, if they cannot work together and each continued to conduct separately its defense preparations, it means a duplication of expenditures on armaments and a concentration on military affairs which the peoples of both countries would find irksome and possibly intolerable. Both Britons and Americans hate war and detest compulsion and regimentation, which is a characteristic of militarist societies, yet they are face to face with dictator-ruled states which are powerful and warlike, openly ambitious and predatory. They employ a monopoly of information and the press, in order to shape the minds of their populations and keep alive the war spirit. Therefore, democracies standing alone may have to choose between imitating the methods and emulating the armaments of the dictatorships or, on the other hand, go down to defeat.

In Beaverbrook's opinion, there is only one way out of the dilemma and that is an association of the two greatest democracies, children respectively of the Puritan Revolution and the American Revolution. This would offer security without the loss of civilian freedom, cherished by both peoples, and would enable both nations to look on the threatening ambitions of other nations without weighing themselves down with a load of armament. Concluding, he said that the issues are graver now than previously, hence both nations should, if possible, double their insurance, and to quote his words, "What better guarantee of the safety of ourselves and our children could we have than a broad understanding and resolve to walk in companionship? Such an association would be unassailable, for no possible coalition of hostile nations could equal their combined strength. The two nations could then serve as an example to the whole world of the advantages of a determined policy of peace, and in this way could realize, as they could do in no other way, the highest ideals of those Christian peoples, the United States and the British Empire."

Germany and China Buy American Munitions

Germany was the leading purchaser of munitions from the United States during August, according to figures made public by the Munitions Board in Washington Sept. 4. China was third with purchases of aircraft and aeroplane parts totalling $109,340, while Japan spent $14,000 for similar materials.

Hitler Denounces Democracy, Says It Is the Surest Road for a State's Decline

IN sharp contrast to the sentiment expressed by Alfred M. Landon, Republican candidate for the Presidency, in a speech before the American Legion at Wichita, Kansas, September 8, warning against racial antagonisms, Herr Hitler, at the sessions of the Eighth Nationalist Socialist Party Congress at Nuremberg, this week made an attack which fairly bristled with race prejudice. Bitterly attacking the Jews and what he described as "Bolshevik anarchy," he stated that there was an indissoluble link between the destructive actions of Judaism in the economic domain and its destructive activity in the domain of art. Upholding the principle of dictatorial power and branding democracy as the surest road to anarchy, Herr Hitler said that anarchy should be given no quarter. The aim of Bolshevism was to impose Jewish blood upon all nations, he asserted. The Reichsführer extolled the achievements of the National Socialist party and appealed to all economic leaders, Church leaders and partisans of Nazi culture to become instilled with the essential value of dictatorial principles, without which authority, he said, disaster would follow.

The Reichsführer then went on to charge that the present civil war in Spain was the result of allowing Jewish influence to enter into the life of the people of that country. Herr Hitler denounced the Jews and the Bolsheviks in the same breath. Concerning the Jews, he said: "Wherever Judaism seeks to be a cultural force, it nearly always transpires, on closer examination to be nothing more or less than cunning commercial exploitation of human talent in others." Now, whatever truth there may be in this statement, "Handsome Adlof" (as the women of Germany call him, or at least used to) apparently fails to see the inconsistency of this remark; when coupled with his charge that it is the aim of Bolshevism to impose Jewish blood upon all nations, for the one principle that the Soviet State has insisted on from the beginning, now insists on, and probably will for some time to come, (despite many changes in other directions) is that no one shall gain wealth by the exploitation of the labor of others.

One can easily understand the mentality of the German people, and their almost blind devotion to a leader not born in their own country. The German people feel that they were greatly wronged, and in many respects they have been. The Treaty of Versailles was a humiliation imposed upon a defeated people of a severity out of all proportion to what the situation demanded, and the German people feel that it is due to Hitler that they have been able to escape from its thralldom. Cleverly playing upon that united conceit of a people, which usually goes by the name of patriotism, he has led the German people, with their ability, their learning and their assiduity, to new laurels in many directions, not the least of which is that he has to a large extent transformed the German people (both sexes) from a beer-guzzling rotund-shaped aggregation of individuals into as fine a group of athletic figures as you can find anywhere. But the danger lies in the fact that just as Kaiser Wilhelm with his heroics led the German nation to disaster, so the man who now leads the German people, with his appeals to prejudice and his clever adulation of Teutonic pride, may eventually stampede them into entering into a conflict that may have even more humiliating results for them than the four years of the World War. For a man to get up in this day and generation and seriously tell the world that "Democracy is the surest road by which a state chooses its own decline" (as Hitler did in the course of his speech at Nuremberg) is really an insult to human intelligence, particularly to people living in countries where the Press is still free—which it certainly is not in Germany. The tragedy of the situation in Germany today is that no one may criticize the inconsistencies of those who sit in power in Berlin, or point out the dangers of their program. Those who have attempted it have done so to their sorrow.

Discussing Herr Hitler's speech, *Moscow Pravda* Sept. 10, commented:—"What remains when all the verbosity of the entire anti-Soviet demagogy is taken away from the address? What does it promise the German people? Hunger, the cruellest terror, the prospect of war and seizures. The Fascists bosses' congress has started manifestly unsuccessfully. Neither the anti-Soviet uproar nor drum beating saved them. The ugly, deadful reality of Fascist Germany has easily worked its way through the smoke screen of anti-Soviet falsehoods and slander, through unscrupulous demagogy."

Refuting Herr Hitler's statements regarding 'the flourishing of German culture, theatre and literature,' regarding 'prospering Germany,' *Izvestia* wrote: "The Nuremberg buffoonery and phantasmagoria ends when Hitler, forgetting that he had decided to play the role of a professional advocate of peace, suddenly again begins drumming about 'German over-population,' about which he dealt at length in his book "Mein Kampf," in order to justify the inevitability of aggressive imperialistic policy. The Reich Kanzler did not succeed in delivering a peaceful speech. He could not after all but speak about

his aggressive plans. And one must say that the part of Hitler's speech where he spoke about imperialistic strivings was much more comprehensible and articulate than the entire phantasmagoria constituting the only contents of the first part of his speech."

Simultaneously with the holding of the Nazi Conference in Germany the Soviets held their military maneuvers at Minsk (Spet. 13), a feature of which was a declaration by M. Voroshilov, the Soviet Minister of Defense, that "The invincible Red Army is ready to destroy the enemy in his own territory." English, French and Czechoslovakian military missions watched the march past of infantry, cavalry, artillery, and tanks, with hundreds of planes flying overhead. A detachment of Coosacks received a great ovation from the crowd. After the parade, a dinner in honor of the foreign military missions was given by General Uborevich, the District Commander-in-Chief. The Red Army, he told this guests, was an army of peace, and for defense. Forces at work in certain countries threatened another world war, but, fortunately, the majority of countries were taking all measures to prevent a conflict. The delegates attending the maneuvers represented countries which conducted a consistent policy of peace, General Uborevich continued, and the Soviet supported this policy by all possible means. "We do not want war," he concluded, "but, if we are forced, we have a strong army able to defend us and the cause of peace." Admiration for the fighting spirit and pertinacity of the Red Army was expressed by Major-General A. P. Wavell, head of the British mission at a dinner given in honor of the visiting missions. Major-Gen. Wavell described the "tremendous achievements" of the Red Army as brilliant, and said they had "greatly astonished us." Communist theories are, however, making little progress with British labor. Communist overtures to the Labor Party were flatly rejected by Sir Walter Citrine, general secretary of the Trades Union Congress, at the sessions of the T.U.C., at Plymouth, Sept. 11. After many years of unbridled derision and abuse of the Labor Party, the incongruous spectacle of Communist organizations trying to ingratiate themselves with organized Labor presented, he said, one of the most amusing shows of contemporary political history.

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The British continue to send troops to Palestine, where the Arabs are emboldened by the fact that in the neighboring territory of Syria, the French have virtually given up their mandate, and have entered into a treaty with the Syrians which will make Syria pratically an independent country within three years. British troops killed 27 Arabs in a clash near Nahariya, Palestine, Sept. 11. The British Government has shown no intention whatever of rescinding the Balfour Declaration made during the World War, which promised the Jews that they should be supported in their attempts to migrate to their ancient land. The British Trade Union Congress in session at Plymouth, Sept. 11, opposed any abridgment of the Balfour Declaration. During its sessions a message was received from the American Federation of Labor urging the Congress to try to prevent the limitation of Jewish immigration into Palestine. Italian nationals in Palestine were warned Sept. 11, by their consul to prepare for possible evacuation.

An impressive review of 25,000 Fascist Vanguards took place in Rome Sept. 11, in the presence of Mussolini. After the parade, Il Duce addressed, from his balcony at the Palazzo di Venezzia, the huge throngs who flocked to cheer the Fascist dictator. "You have watched a grandiose and imposing spectacle of strength, beauty, youth and army," Il Duce declared. "The world must know that the whole of Italy is like that."

New British Ambassador Arrives—Anglo-Japanese Pact Rumors

Sir Hugh Montgomery Knatchbull-Hugessen, new British Ambassador to China, accompanied by his family, arrived here from Japan aboard the s.s. *Chitral* at noon of Sept. 13.

In an interview upon his arrival, Sir Hughe said he would spend most of his time in Nanking, where the headquarters of the British Embassy soon were to be erected. This did not mean, however, that they were scrapping Peiping; in fact, he was going there as soon as he could, at the end of this month, and again in December. He certainly would spend a lot of time there during the hot weather, but where the Chinese Government was, the foreign embassies had to be situated. He probably would spend six months of the year in Nanking, and the other six months in different parts of China.

With regard to foreigners in China paying taxes to the Government, Sir Hughe said the British Government would insist that British subjects should pay what was paid by members of other nationalities. It would not, however, be fair to expect British subjects to pay taxes to the Chinese Government unless no-one in the country could escape payment. Unless the Government required their nationals, and all foreigners in the country, to pay income tax, it would be unfair to expect British subjects to pay it.

Sir Hughe repeated what he had emphasized when interviewed in Tokyo, that there was no truth in the rumors of a renewal of the Anglo-Japanese alliance, which he described as "out-of-date."

Writing in *The China Press*, Sept. 15, T. C. Tang stated that considerable speculation has been aroused in Nanking press and unofficial circles over the recent visit of the new British Ambassador to China, to Tokyo, while on his way to China to take up his new diplomatic duties. Great significance was attached to his brief stop-over in the Nippon capital when viewed from the fact that the talk of resuming the ill-fated Anglo-Japanese alliance is again filling the air. For a new envoy accredited to China to approach the Japanese Government on the China problem before he has properly presented his letter of credence to the Chinese Government was, naturally, a departure from customary diplomatic procedure, but when one takes the present international set-up and the importance attached by both Great Britain and Japan to their relations with China into consideration, Sir Hughe's visit to Tokyo was not entirely unexpected, Mr. Tang commented.

British Favorable to Anglo-Japanese Co-operation, Japanese Counseller Says

In an interview at Shimonoseki last week, on his way to Tokyo, Keinosuke Fujii, Counsellor of the Japanese Embassy in London, commented in the course of an interview:—"It seems that British diplomatic quarters are gradually becoming inclined toward Anglo-Japanese co-operation, and it is undeniable that Anglo-Japanese relations are improving. The movement of the newly-risen Germany is a center of interest among the Powers. It seems to me that the present Franco-German issue will in the future dwindle in importance and be replaced by a German-Soviet issue."

Inside Story of the Murder of the Japanese Druggist Nakano at Pakhoi by Chinese Mob

BY THE REVIEW'S SOUTH CHINA CORRESPONDENT

FOLLOWING the murder there by unknown persons of the 53-year-old Japanese drug-store keeper Jyunzo Nakano on September 3, a most dangerous situation today exists at Pakhoi, the trade port in the south-west of the Kwangtung coast on the Gulf of Tongking, The delicate position was created by the presence of the Nineteenth Route Army troops, which in 1932 fought against the Japanese in Chapei in Shanghai and which have gained the reputation of being still strongly against the Japanese. There is general apprehension among the Pakhoi residents that what happened once in Shanghai in 1932 may be repeated today at Pakhoi. As this is written two Japanese destroyers, *Wakatake* and *Sanae*, are on their voyage to Hongkong from Shanghai. The *Wakatake* on her arrival in Hongkong will proceed immediately to Pakhoi, while the *Sanae* will leave for Canton for the protection of the large number of Japanese nationals residing in the Kwangtung capital. The Japanese gunboat *Saga*, which has been stationed in South China for some time, came to Hongkong on September 10 with two Japanese official investigators, Japanese vice Consul Tonegi and Chancellor H. Matsura of the Canton Japanese Consulate Office, on board, on its voyage to Pakhoi.

To go into the root of the disturbance at Pakhoi, the Special Delegate for Foreign Affairs in Kwangtung, Philip K.C. Tyau, has sent Dr. Lim Shih-fen, of the Nanking Foreign Office to Pakhoi to investigate, while the Japanese officials from Canton were there on a similar mission.

Meanwhile the Pakhoi anti-Japanese feeling has assumed such serious proportions that Mr. Tyau personally advised the acting Japanese Consul-General at Canton, S. Yoshitake, not to send an investigating body of Japanese officials to Pakhoi, fearing that there may be untoward incidents. This advice was not accepted.

Although the circumstances leading to the death of the late Mr. Nakono remain unsubstantiated, the Japanese account of the incident points to the fact that the victim was murdered by Chinese in the course of an anti-Japanese demonstration. The officer in command of the Chinese troops in Pakhoi is General Oong Chao-yuan, the man who fought bitterly against the Japanese in Shanghai in 1932 as the then Woosung Garrison Commander. The Japanese blame the Nineteenth Route Army officers for the renewal of the vehement anti-Japanese agitations in Pakhoi. In this connection Mr. Okamoto, the Vice-Consul of the Hongkong Japanese Consulate Office, said that the murder was due to Chinese prejudice against the Japanese, although he pointed out that Nakano was the only Japanese resident in Pakhoi and had resided there for twenty years.

Fearing that the Nineteenth Routh Army troops may ofler resistance and fight the Japanese marines who are expected to land at Pakhoi with the arrival of the destroyers in Canton, Marshal Chiang Kai-shek and other officials have ordered the Nineteenth Route Army men to withdraw from Pakhoi back to Kwangsi. These troops entered the southern Kwangtung port before the conclusion early this week of the Kwangtung-Kwangsi armistice, as Kwangsi intended to take delivery of a cargo of arms and ammunition at Pakhoi.

Early in the morning Sept. 10 Marshal Chiang Kai-shek summoned Dr. Philip K. C. Tyau to his Headquarters at Whampao and the two discussed at considerable length the Pakhoi murder case. It is the Chinese leaders' hope that the Pakhoi incident will be localised and settled between the Japanese and Chinese officials in Canton.

For this reason after the conference at Whampoa, Chiang Kai-shek sent a message to Nanning advising Generals Li Chung-jen and Pei Chung-hsi to recall their Nineteenth Route Army. The withdrawal would greatly facilitate the settlement now being conducted in Canton.

In Pakhoi such wide-spread apprehension has been created by news of the Japanese murder and coming of the gunboats, that some of the more nervous residents are leaving the port for fear of outbreak of hostilities. Many residents living near the Japanese drug-store evacuated the place, fearing that they might be involved.

From all accounts it appears that Jyunzo Nakano for 20 years had been the manager of the Maruichi Drug Store in Pakhoi. The latter has its headoffice in Hongkong. The Maruichi Drug Store in Pakhoi sells Japanese medicines and toys.

On the night of September 3 the deceased was having dinner with members of his family, when some unknown persons entered his shop asking to purchase some spectacles. The strangers later rushed to the upper floor and there they overpowered the inmates at the point of pistols.

The women and children were not disturbed but the intruders stabbed Nakano, who received eight stab wounds. The daughter of the deceased raised the alarm shortly after the intruders' departure.

Many Chinese agree that the murder was committed over a personal grudge, as it is believed that nothing valuable in the house had been stolen. When the Chinese authorities were notified, they co-operated with friends of the deceased to the best of their ability in finding the murderer or murderers, but the latter were nowhere to be found. Throughout the night of September 3 some excitement was caused as the Police and troops conducted a large number of raids in and around Pakhoi. The dead body of Nakano was subsequently examined by a Chinese doctor called from a local hospital.

The Chief of Police, Chan Chen, the next morning paid a special visit to Limchow near Pakhoi and personally reported the whole case to his superior officer, General Oong Chao-Yuan, the officer in command.

It is interesting to note that not only had Nakano resided in Pakhoi, which incidentally has been opened for foreign traders since 1877, for 20 years, but he lived practically like a Chinese. Nakano married a Chinese wife many years ago and had two children, a son and a daughter, both grown up, by the Chinese wife. He mixed up with Chinese a lot and spoke the Pakhoi and Limchow dialects fluently like a native.

It is significant that this and other accounts did not confirm the Japanese charge that the murder was committed in the course of an anti-Japanese demonstration.

It is also known that Nakano made frequent trips to the interior districts near Pakhoi, fishing and hunting, and knew those localities well. Whether he had incurred enemies during his visits to the interior or during his business career in the Pakhoi city will remain unsolved until the investigators have completed their enquiry. Fishing incidentally is one of Pakhoi's important local industries.

While still waiting for instructions from Tokyo, the Japanese Consul-General in Canton has asked the Chinese local officials to arrest the murderers of Nakano

and to protect the two Japanese investigators now no their way to Pakhoi. In Shanghai, according to telegraphic news, Japanese military and naval officials and the Ambassador, Mr. Kawagoe, have decided that, "should Nanking lack the authority to facilitate the investigation at Pakhoi the Japanese authorities on the spot will take measures to consider doing what they consider appropriate."

The Pakhoi murder causes regret to the Japanese as much as to the Chinese, because with the conclusion of the Kwangsi-Nanking armistice the southerners held high hope that at last with a united China the Government will proceed with measures to strengthen the defence of Kwangtung and Kwangsi against any future aggression. If the Pakhoi case remains unsettled for long, it will inevitably affect the program of national defence in the South including reorganization of the Kwangtung army and navy, rebuilding of the important fortifications such as the Bocca Tigris forts and others in Canton and construction of more military roads and enlargement of the air squadrons.

Canton, September 11, 1936.

Tsai Ting-kai, Li Chi-sen Retire—Nineteenth to Evacuate Pakhoi Immediately

Despite all the opposition which the Nineteenth Route Army had shown to the policy of General Chiang Kai-shek and against the Japanese, particularly in connection with the investigation into the murder of the Japanese Nakano at Pakhoi, telegrams from the South Sept. 16 stated that the Nineteenth Route Army was evacuating immediately and that both General Tsai Ting Kai and General Li Chi-sen were withdrawing. General Tsai stated that he felt that the present was not the time for taking a stand against the Japanese.

Gens. Li Tsung-jen and Pai Chung-hsi sent telegraphic instructions from Nanning Sept. 15 that units of the reorganized 19th Route Army would have to withdraw to Kwangsi before Sept. 20. Generals Li and Tsai, at last reports, were stated to be enroute to Hongkong.

THE Nineteenth Route Army, the leading spirit of which is Tsai Ting-kai (who made history by standing up against the Japanese at Shanghai in January 1932), has adopted an attitude at Pakhoi, most southern Customs port in China, somewhat similar to that which it took up here almost four years ago. It will be recalled that at that time the Nineteenth Route Army was practically in rebellion against the Nanking Government. It tried similar tactics in Fukien a few years later, but its opposition fell flat after several weeks, when Chiang Kai-shek's legions got into action. According to a *Domei* message from Canton Sept. 13, the 19th Route Army, occupying Pakhoi, refused to allow Japanese officials to land for the purpose of investigating the murder there of Jyunzo Nakano. According to a communique issued by the Japanese Consulate-General there, the Japanese gunboat *Saga*, carrying two consular officials, and the Chinese transport *Fuan*, with a party of Chinese investigators headed by Lin Shih-fen, secretary to Dr. Philip K. C. Tyau, Foreign Affairs Commissioner for Kwangtung and Kwangsi, arrived at Pakhoi on Saturday. The Chinese representatives landed immediately and conferred with the Chief-of-Staff of the 19th Route Army, requesting him to allow the Japanese officials ashore. This was refused and, when further pleas failed, the Chinese officials themselves returned aboard the *Fuan*. Thereupon a strong appeal was sent from Canton to Kwangsi, urging the withdrawal of the 19th Route Army, from Pakhoi, in order to facilitate an investigation into the Nakano murder. The Japanese at first dispatched several gunboats and a destroyer flotilla to Pakhoi harbor, but as the water was too shallow they had to anchor some distance out from shore; and later took up stations at Hoichow, chief port of Hainam Island. An increasing number of Japanese naval units was headed for the same port, ready to take action. Meantime Mr. Nagano at Nanking pressed the Nanking Government to enforce its orders for the withdrawal of the 19th Route Army. Messages from Taihoku stated that the Formosan army would closely watch the developments in the Pakhoi affair "with grave concern" and hoped that the Chinese Government would "shake off its traditional policy of delusion and seek to effect a turn for the better in Sino-Japanese relations."

Commenting on the fact that Dr. P. K. C. Tyau, Foreign Affairs Commissioner for Kwangtung and Kwangsi had made repeated requests for a delay in the dispatch of Japanese investigators to the scene, Tokyo Foreign Office officials described said Chinese official's actions as "typical of the Nanking government" and charged that they were designed to delay the negotiations so that the Chinese would find themselves in a more favorable position because of their ability to prevent Japanese from obtaining full data on the affair. Meantime, Hachiro Arita, Foreign Minister, disclosed that he would pursue the diplomatic negotiations for a satisfactory settlement of the Chengtu and Pakhoi affairs "with a firm resolution." This followed strong statements by Gen. Hisaichi Terauchi, War Minister, and Admiral Osami Nakano, Navy Minister, at a cabinet meeting Sept. 11 in which they advocated the adoption of strong measures to right "the intolerable state of affairs now prevailing in China." Taking the Foreign Minister to task for allowing the Chinese Government to talk of good relations, while permitting the Kuomintang to engage in anti-Japanese activities, the War and Navy Ministers are understood to have advocated the adoption of a more energetic policy.

Declaring that it was in southern Kwangtung to stay, the 19th Route Army announced at Limkong Sept. 11 that it had no intention to withdraw. "The Nineteenth Route Army, forming the nucleus of an anti-Japanese force," its manifesto said, "will remain in southern Kwangtung for the time being for the purpose of protecting the area and to ensure the welfare of the population." A military conference was held by General Li Tsung-jen and other Kwangsi Commanders in Nanning on the same date, at which it was decided that the 19th Route Army should be re-organized and placed under the control of the Nanking Government. It is understood that General Tsai Ting-kai, Commander of the 19th Route Army was present at the meeting, but he was reported to have refrained from commenting on the decision. The Nanking Government plans to have the 19th Route Army transferred from southern Kwangtung and arrange for its reorganization as a separate unit at the expense of the Central Government.

The *Shanghai Nippo* in this connection commented:—"The 19th Route Army, which has occupied Pakhoi and Hupu, not only sent its soldier to murder the Japanese resident, Nakano, but also instigated the local inhabitants to immediately declare war against Japan. Should we be prevented from

investigating the true facts of the Pakhoi incident, that is, how Nakano was killed, how his property was plundered, where his dead body is, etc., we would choose no other way, but the display of our substantial force."

Shigero Kawagoe, Japanese Ambassador to China, proceeded to Nanking by train Sept. 12. On a later train Major-Gen. Seiichi Kita, military attache, and Rear Admiral Osamu Sato, naval attache, also proceeded to the Capital, "to be available should the envoy require their advice," as the *Domei* account said. Major Naokata Utsunomiya, assistant military attache, and Commander Keijyo Minato, assistant naval attache, accompanied their respective chiefs.

A decision was reached by high representatives of the Japanese diplomatic, naval and military services in Shanghai, at a conferences including Ambassador Kawagoe Vice Admiral Gikawa, Commander on the Third Fleet and Rear-Admiral Sato, Naval Attache, on Sept. 12, to the effect that should the Nanking Government lack the authority to facilitate the investigaton by Japanese officials of the Pakhoi mob murder of Jyunzo Nakano, the Japanese authorities on the spot should take whatever measures they consider appropriate to perform their task.

The *Lih Pao* quoted a spokesman of the Japanese Foreign Office in Tokyo to the effect that Mr. Kawagoe would call on Gen. Chang Chun, Chinese Minister of Foreign Affairs at Nanking on September 18 (anniversary of the Japanese seizure of Mukden) to open negotiations for the settlement of the Chengtu and Pakhoi incidents, but later developments showed that they were started earlier.

The first of a series of discussions between Mr. Kawagoe, the Japanese Ambassador to China, and General Chang Chun, the Chinese Minister for Foreign Affairs, for a settlement of the Chengtu and Pakhoi incidents and for a readjustment of Sino-Japanese relations was opened at Nanking Sept. 14. Editorials in several of the leading vernaculars in Nanking, discussing the pending negotiations, the same morning advanced counsels of sincerity and mollification. They expressed the belief that if Mr. Kawagoe world confine his diplomatic talks to the Chengtu and Pakhoi incideuts alone, a satisfactory solution, in accordance with international usage, would not be hard to find. But if the scope of the conversations goes beyond the two cases at issue, the papers saw many difficulties strewn in the path. which would further dim the prospects of an early resumption of friendly relations between the two countries.

First Kawagoe-Chan Meeting Lasts Two Hours

Mr. Kawagoe, accompanied by Mr. Suma, the Japanese Consul-General at Nanking, and Mr. Shimizu, who acted as interpreter, called at the Foreign Office on the afternoon of Sept. 14 and remained there until 6.30 p.m. General Chang Chun was assisted by Kao Chung-wu, chief of the Asiatic Affairs Department, and Mr. Shao Ju-lin, a sectional chief. The Chinese Foreign Minister once more expressed regret over the "unfortunate affairs" at Chengtu and Pakhoi and enumerated the measures taken by the Chinese Government to deal with the matter. No date for the next meeting between Mr. Kawagoe and General Chang Chun has yet been fixed.

Gen. Chiang Kai-shek, according to *Domei*, will arrive in Nanking for direct negotiations with Dr. Kawagoe, Japanese Ambassador, as soon as he reaches a complete settlement of the Kwangsi problem.

Kawagoe Says Negotiations Will Be Conducted on "Lofty Plane"

On the eve of starting negotiations, Mr. Kawagoe, declared in Nanking Sept. 14 that he intended "to conduct the conversations on a lofty plane." "The basic purpose of my visit to Nanking," the ambassador said, "is to readjust the relations between China and Japan. It will be with that end in view that I will begin my negotiations. This readjustment of relations can be looked at in two ways. On the negative side, we must seek to correct what is wrong. On the positive, we must endeavor to build up a new friendship and new means of co-operation."

Tsai Ting-kai Leaves for Hongkong for "Recuperation"

"All my troops have been handed over to General Li Tsung-jen, new Pacification Commissioner for Kwangsi, and General Pai Chung-hsi, newly appointed member of the Military Affairs Commission. Personally I take no obstinate stand," declared General Tsai Ting-kai, Field Commander of the 19th Route Army, in an interview granted to the *Central News Agency* at Nanning Sept. 15. It was stated that Tsai was departing for Kwangchow Bay Sept. 10 en route to Hongkong to recuperate his health.

Occupation of Hainam Island Demanded in Tokyo Circles

In spite of pressure from the Japanese Army and Navy for strong action, the policy of the Foreign Office towards the Chengtu and Pakhoi incidents remains one of "studious moderation," according to well-informed Japanese circles quoted in a *Reuter* message from Tokyo Sept. 11. Whether it will remain so is believed to depend upon Nanking's response to Japan's demands for the liquidation of the incidents. These will include guarantees of the abolition of all anti-Japanese throughout China and, possibly, the dismissal of certain leading Chinese officials, who are considered responsible for anti-Japanese propaganda.

Yoshitake Criticizes Attitude of Chinese Investigators

Domei stated that the hasty exit from Pakhoi of Chinese officials dispatched to investigate the Nakano murder formed the subject of vigorous Japanese representations in Canton Sept. 14. Calling on Dr. Philip K. C. Tyau, Foreign Affairs Commissioner for Kwangtung and Kwangsi, Mr. Yoshitake, acting Japanese Consul-General, is understood to have asked for an explanation of the attitude of the Chinese investigators.

Central Government Asks That Japanese Investigators Be Permitted to Land

Instructions to request the Central Government and the local authorities in Canton to arrange for the landing of Japanese official investigators in Pakhoi were cabled to Mr. Kawagoe by the Tokyo Foreign Office Sept. 14. High officials of the Navy Ministry, including Admiral Osami Nagano and Vice-Admiral Kiyoshi Hasegawa, respectively Navy Minister and Vice-Minister, spent the morning in a conference on the current developments in China.

Following the deliberations, it was revealed that the Admiralty will uphold the attitude of the Foreign Office, but will insist on the following three demands: Full facilities are to be accorded by the Chinese Government to the Japanese investigators of the Pakhoi incident; the Central Government must secure the withdrawal of the Nineteenth Route Army from Pakhoi, since "an investigation on the spot is impossible unless the Nineteenth Army is withdrawn," and also because the Nanking authorities are in a position to control the Army, having incorporated it within the Central forces; further the Japanese Navy reserves the right to take adequate measures if these demands are not accepted by the Chinese Government.

Confirmation that both Chinese and Japanese officials sent from Canton had been unable to conduct investigations of the Pakhoi Incident because of the objections of the 19th Route Army was obtained by *Reuter* Sept. 14 from Dr. Philip Tyau, Commissioner for Foreign Affairs for Kwangtung and Kwangsi. Dr. Tyau stated that his secretary had succeeded in reaching Pakhoi, but had left without being able to fultill his mission. The secretary, he said, boarded the Japanese gunboat *Saga* at Hoihow, the chief port of Hainam Island, and informed the Japanese investigators of the attitude of the 19th Route Army. The secretary urged that Japanese vessels should not enter Pakhoi, as this might involve a possible clash. The Japanese officials agreed to remain at Hoihow pending developments.

General Li Predicts War in North Within Year

Nanning dispatches reaching local Chinese circles to the effect that Gen. Li Tsung-jen, recently appointed pacification commissioner for Kwangsi, had predicted war with Japan within this year, created a sensation in Canton, a *Domei* message stated. Speaking to representatives of various civic groups in the Kwangsi capital, Gen. Li is reported to have declared that "inasmuch as the 19th Route Army was the central unit for war against Japan, as the possessor of a brilliant past," the Kwangsi authorities intended to support and expand it. He is further alleged to have declared that said forces intended to stay in southern Kwangtung for the time being.

War Preparations Reported from Pakhoi

War preparations were reported to be in full swing in Pakhoi, Sept. 14, then held by the Nineteenth Route Army, in dispatches received in Canton by Chinese military quarters. The Nineteenth Army was also reported to have tightened the observance of martial law, clamped on the port on Sept. 10.

A statement was issued by the headquarters of the 19th Route Headquarters in Lienkiang Sept. 11 as follows:—"As we are the units to launch a resistance campaign against the Japanese, we will remain in the Pakhoi area in order to protect the people from a possible Japanese invasion."

Nakano's Daughter Tells of Father's Killing

Jyunzo Nakano was killed with daggers, thrust into his body by several members of a mob who broke into his store in Pakhoi in the afternoon of Sept. 3. The story of Nakano's murder was related by his daughter, Tsuru, in a brief letter to Japanese naval authorities in Hoihow, and later transmitted to the office of the naval attache to the Japanese Embassy here. Nakano left behind a Chinese wife and two children. The fact that the daughter is still on the scene made the Japanese all the more determined to enter Pakhoi to make an independent investigation.

Chinese Version Regarding the Pakhoi Incident

A Canton message to *Shun Pao* stated that according to reports reaching there from Pakhoi, the Japanese druggist was wounded on Sept. 3, as a result of a fight with several Chinese, who argued with the Japanese druggist over the price of a pair of spectacles. The Japanese was rushed to the French hospital where he succumbed shortly afterwards. The people in Pakhoi were said to have a great hatred against the deceased because of his repeated actions in interfering with public business in Pakhoi.

Provocative Comment by "Shanghai Nippo"

Alleging that China has retracted her own assertions with reference to the Pakhoi incident, the *Shanghai Nippo* in its leading editorial on Sept. 13 commented: "It is evident that the Chinese authorities are quite cunning in their settlement of the existing incident as is to be noted from the following points:

1.—The 19th Route Army, as the Chinese authorities have declared, is a rebellious army, which has occupied Pakhoi, where the incident occurred; therefore, the Pakhoi incident is a mere local problem;

2.—The Chinese authorities have purposely delayed the Japanese investigation;

3.—The Chinese authorities have based their attitude upon the report from the 19th Route Army, so as to be in a position to retract their former assertions.

"In short, the Chinese National Government is absolutely lacking in sincerity in the settlement of the Pakhoi incident as well as the eradication of the anti-Japanese movement in China," the *Nippo* commented.

Anti-Japanese Movement Said Widespread Throughout China

Discussing the anti-Japanese movement, the *Shanghai Nippo* commented Sept. 10:—"Today the anti-Japanese movement is a wide-scale movement of the whole nation. In the anti-Japanese united front there participate all political organizations, groups and individuals who wish to fight Japan. Although the anti-Japanese united front is divided into a 'People's Front' and a 'National Front,' the aim and will to fight against Japan is common to both wings. In these circumstances, the Kuomintang and the Communist Party are only two exceptionally tall trees in the big forest of the anti-Japanese movement. Henceforth we must pay attention to the whole forest and not confine it to the taller trees."

Discussing the attitude of the Chinese Central Government in reference to the Pakhoi incident, the *Shanghai Nippo* commented:—"Only ten days have elapsed since the Chinese Government issued the decree of neighboring friendliness, when another incident broke out. What kind of attitude has the Chinese Government taken up? Only a paper decree is issued to the provincial authorities, which brings no practical protection for the Japanese residents as well as the foreign residents. This shows that the Chinese Government has no intention to bear the responsibility from the beginning to the end."

Chinese Press Comment

The *Ta Kung Pao* Sept. 15 commented: "The Pakhoi incident has already become an international problem. If the leaders of the 19th Route Army raise their banners once again, which circumstances force upon them, serious international consequences might be caused."

The *China Evening News* Sept. 14 commented:—"A country has its prestige to maintain. It cannot sacrifice this prestige in order to maintain peace. Even if the government can tolerate oppression, the people cannot do so. The textbooks may be revised, and all public organizations may be suppressed, but the zeal of the patriots cannot be destroyed."

Anti-Japanese Conference Held in Nanning

According to Nanning advices reaching Canton (in *Tai Tung News Agency* dispatches), it was reported that a conference was held by all the anti-Japanese organizations of the whole Kwangsi Province in Nanning Sept. 10, at which an oath was taken in support of the anti-Japanese pact, and that General Chiang Kai-shek and the Central Government should be absolutely sustained. Subsequently, a resolution was passed reading: "General Chiang Kai-hsek has taken a sincere attitude to support internal peace in the country, and, basing on a drastic resistance policy, has endeavored to offer military resistance against Japanese aggression. Our Kwangsi strong men should join in the first front of the anti-Japanese line and struggle to the last man. We are all loyal to General Chiang for his carrying into effect the contention of the anti-Japanese resistance warfare."

Nanking Again Orders Protection of Foreign Residents

In a decree issued to the Chairman of the various Provinces Sept. 10 the Executive Yuan re-emphasized the importance of extending adequate protection to foreigners residing in Chinese territory, which, it is pointed out, is the duty of the Provincial authorities. The decree further urged the Provincial authorities to do their utmost to preserve peace and order in Shanghai. The decree was issued in view of the forthcoming anniversary of the Mukden Incident (Sept. 18).

"Shanghai Mainichi" Blames Soviet Russia for Pakhoi Incident

In a leading editorial on Sept. 12, the *Shanghai Mainichi* characterised the statement made by Mr. Bogomolov to the press as Anti-Japanese propaganda. The journal alleged out that the Pakhoi Incident was carried out in accordance with instructions from General Chen Min-chu, former commander of the 19th Route who is now in Russia, and who has obtained assistance from the latter in their campaign against the Japanese.

Japanese Now Ascribe Chengtu Incident to the "Blue Shirts"

According to information received from a certain" source" quoted by the *Shanghai Mainichi* Sept. 10, the recent killing of two Japanese subjects in Chengtu has been traced to Gen. Chiang Kai-shek's Blueshirt organization. Previous allegations were that American missionaries were responsible; also that the Kuomintang instigated the murders.

Tung Wen College Annual to Be Dedicated to Murdered Japanese

This year's "Travel Book" of the Tung Wen College, a Japanese institution on Hungjao Road, will be dedicated to Jyunzo Nakano, who was beaten to death by a Chinese mob in Pakhoi on Sept. 3, the Shanghai *Nippo* reported Sept. 16.

Chinese Allegedly Bill Japanese for Chengtu Expenses

Japanese officials in Shanghai were described by the local Nipponese press Sept. 10 as having been "painfully surprised" that the Chinese authorities had submitted a detailed bill for expenditures incurred by the Szechuen provincial government in connection with the investigation by Japanese consular representatives a week previously of the mob attack on four Japanese visitors to Chengtu on Aug. 24. The account, which was handed by Wu Chai-hsiang, Foreign Affairs Commissioner for the province, to Renji Kasuya, Japanese consul in Chungking, set forth in detail charges for the food and other articles consumed by the Japanese investigators while they occupied the guest rooms of the Szechuen Provincial Government offices; the expenses in connection with the cremation of the bodies of the two Japanese victims; the cost of medical attention received by the two survivors and the price of Chinese robes given the latter after they had been stripped naked by the mob and mercilessly beaten. The inclusion in the statement of charges for the cremation of persons, who met their death because the Chinese authorities had not been able to give them adequate protection, and the billing of medical costs and clothing for persons injured and stripped naked under the same circumstances, was reported by the dailies as being regarded by the Japanese officials as the "height of grim mockery" and as being indicative of a lack of "good faith" on the part of the Chinese.

Birtish Steamer Fired on in South China by Outraged Chinese Farmers

Resenting the damage done to the river bank of their paddy fields by the wash of the British steamer *Tailee*, Chinese farmers fired on the steamer, as it was proceeding to Hongkong from Kongmoon Sept. 15. The shooting resulted in the death of Ching Cheong, Chinese quartermaster, and the wounding of three foreigners, including a woman. The wounded victims were: F. Baylis (British), master; Mr. Van Langenberg (Belgian), second engineer; and Miss Carlett, an American Baptist missionary, who was travelling in the vessel as a passenger. The British Admiralty ordered the British river-gunboat *Cicada* to proceed to Wongping to conduct an investigation. The British Consul-General at Canton requested that immediate action be taken to secure the apprehension of the culprits.

Dr. Feng Jui, Agricultural Expert, Executed on Corruption Charge

Dr. Feng Jui, former Director of the Kwangtung Provincial Bureau of Agriculture and Afforestation, was executed at Canton Sept. 9 by the Gendarmerie Headquarters. Dr. Feng was found guilty of corruption, embezzlement of public funds and oppression of the farmers. He was tried by court martial at the Commander-in-Chief's Headquarters of the 4th Route Army.

A *Central News* message from Canton mentioned that Dr. Feng was a competent agricultural expert and a native of Canton. He did considerable research work in Cornell University in the United States, where he received his doctor degree. About two months ago he was sent by General Chen Chi-tang, then Commander-in-Chief of the Kwangtung forces, to Nanking to discuss political matters with the Central Government.

Gen. Chiang Declares Southern Crisis Ended; Li and Pai Given High Posts in National Army

HIGH LIGHTS IN THE EVENTS OF THE WEEK:

1. **Gen. Chiang Gives Stern Warning Against Political Corruption.**
2. **Three Kwangsi Leaders Assume New Appointments by Nanking**
3. **Reported Terms of Nanking-Kwangsi Peace Pact Made Public.**
4. **Gen. Tsai Ting-kai Quits 19th Route Army, Goes to Hongkong.**
5. **Wang Keh-min Resigns From Hopei-Chahar Council, Sung Seeks Successor.**
6. **Gen. Yen Hsi-shan Urges Central Control of Shansi and Suiyuan.**
7. **Ex-Japanese China Envoy Counsels Far-sightedness in Readjusting Relations.**
8. **Fresh Trouble Feared on Suiyuan Front Despite Prevailing Quiet.**

"The crisis in South China has been settled without the shedding of one drop of blood. There will be no civil war. General Pai Chung-hsi is coming to Canton to talk things over with me." In these few words, spoken during a recent interview with C. J. Chancellor, Far East manager of *Reuters* Limited, and related to a *China Press* reporter by Mr. Chancellor Sept. 14 at Shanghai, General Chiang Kai-shek dismissed the greatest personal triumph of his career and the most important political event in the Far East since Japan occupied Mukden on September 18, 1931. "Thus the words so quietly spoken to me at Whampoa marked the end of a chapter, a consummation of policy achieved after years of patience. 'He has not made one mistake': an eminent Japanese commenting to me on the events of the past few months paid this tribute, grudging but unqualified, to Chiang Kai-shek.

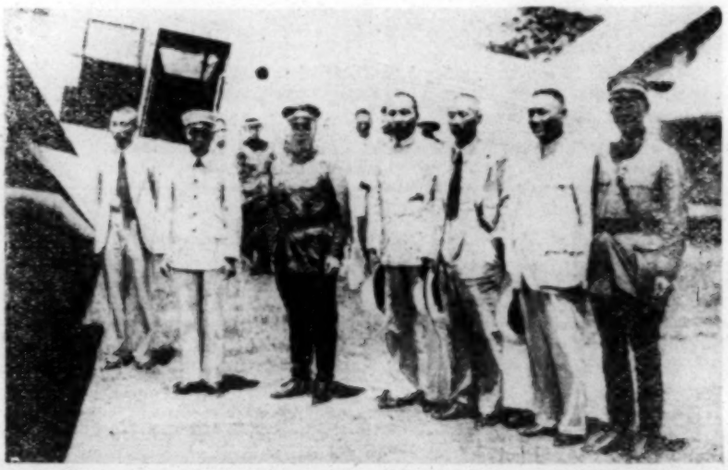
Gen. Chiang Kai-shek established his headquarters at Whampoa instead of in the city of Canton on grounds of sentiment—Whampoa's historical association with the early days of his own career. "He saw me in the plain house that he has temporarily made his own—fresh and clean, furnished with spartan simplicity. He could only give me 15 minutes: 200 people were on the list to see him. As he talked his thoughts turned to Great Britain. With great emphasis he said as I took leave of him: It is my life-long ambition to promote a relationship of true and lasting friendship between Great Britain and China. And indeed, now more than at any previous time in the history of Sino-British relations, is this ambition conditioned by circumstances entirely favorable to its fulfilment. "The extension of Gen. Chiang Kai-shek's authority over South China will give a new significance to the British colony of Hongkong. Hitherto the relationship between the great Chinese city of Canton, with its population of more than a million souls, and the British port only eighty miles away has been confined and equivocal, conditional not only by the unfavorable personal attitude of the South China warlords but by the British Government's pledged support to the Central Government at Nanking. Today Britain has a great opportunity. "In South China we may today stand on the threshold of a new deal of British trade and investment in which Hongkong will play a leading port—not as a British colony, but as a British administered port on the coast of China working in close co-operation with Canton and taking the lead in a constructive policy for promoting the industrial development of South China."

GENERAL CHIANG GIVES STERN WARNING AGAINST POLITICAL CORRUPTION

"If we do not weed the present body politic of corruption, bribery, perfunctoriness and ignorance and establish in its stead a clean and efficient administration the day will soon come when a revolution will be started against us as we did against the Manchus." This stern warning was made by General Chiang Kai-shek, President of the Executive Yuan, before a crowd of more than 3,000 government officials and public employees at Canton Sept. 9 on the occasion of the 41st anniversary of Dr. Sun's first revolutionary attempt at Canton in 1895. "The time has come," said General Chiang," for the emergence of an able government which will take upon its shoulders the responsibility of pushing forward political, economic, military, educational and cultural reconstruction projects. It is not until then China can truely become a strong nation and the sacred task of national reconstruction can be completed." Once again General Chiang reminded the nation that China is confronted with crisis of an unprecedented magnitude. While on one hand the foundation for political and economic reconstruction has not yet been firmly established, there is on the other hand an acute lack of national consciousness on the part of the general masses. What is more, many traitors now betray their country for personal aggrandisment. In the field of Party affairs, politics, Army, economy and education, he said, efforts should be exerted by the whole nation in working for a fundamental and thorough reform. "Once we let this golden opportunity slip by there is no telling how soon China will be subjugated by another power." Asserting that the success or failure of the revolution and regeneration and doom of the state now hinges on the present critical moment, the Generalissimo exhorted every Chinese citizen to do his or her share in the task of national salvation.

KWANGSI LEADERS ASSUME NEW APPOINTMENTS BY NANKING

General Li Tsung-jen and General Huang Shu-chu were respectively sworn in office as Pacification Commissioner and Chairman of Kwangsi on Sept. 16 at Nanning, provincial capital of the province. General Cheng Chien, Chief of Staff, and General Huang Shao-hsiung, Chairman of Chekiang, administered the oath of office to the two officials on behalf of the Central Government. General Pai Chung-hsi, formerly deputy Commander of Kwangsi Forces and newly appointed member of the Standing Committee of the Military Affairs Commission, was also inducted into office. General Pai is coming to Canton shortly to interview General Chiang Kai-shek.



The above picture shows the arrival of three Nanking peace envoys at Nanning to settle final details of peace with the Kwangsi leaders. From left to right: Gen. Pai Chung-hsi, Gen. Cheng Chien, Judicial Yuan President Chu Cheng, Gen. Chu Pei-teh and Gen. Li Tsung-jen. The photo was taken at Nanning airfield.

Expressing the desire to obtain the assistance of Gen. Pai Chung-hsi in strengthening China's national defenses, Gen. Chiang Kai-shek, in a letter to the Kwangsi leader, expresses the hope that the latter will not go abroad for the present.

The Kwangsi provincial authorities are contemplating the removal of the provincial capital from Nanning to Kweilin in northern Kwangsi, about 200 miles from Nanning, according to information emanating from official circles.

A series of conferences are proceeding at Nanning between Gens. Cheng Chien, Chief of General Staff of the National Army, Huang Shao-hsiung, Governor of Chekiang, and the Kwangsi leaders to work out details regarding the military, political and administrative rehabilitation of the province. Two conferences were held Sept. 14, and among the Kwangsi leaders present were Gen. Li Tsung-jen, Pacification Commissioner, Gen. Pai Chung-hsi, member of the Standing Committee of the Military Affairs Commission, Gen. Li Chi-sum, who was recently pardoned by the Central Government for his abortive revolt in Fukien in 1933, and Gen. Li Pi-hsien, deputy Pacification Commissioner for Kwangsi.

REPORTED TERMS OF NANKING-KWANGSI PEACE PACT

According to *Sin Wan Pao* Sept. 11, the terms of the peace pact concluded between Nanking and Kwangsi are as follows:

1. The question of resistance against foreign aggression.
2. The appointment of Li Tsung-jen as Pacification Commissioner of Kwangsi, Pai Chung-hsi as member of the Standing Committee of the Military Affairs Commission and Huang Shao-hsiung as Chairman of Chekiang.

3. The 60 regiments of Kwangsi Army will be reorganized into 6 divisions. A monthly subsidy will be appropriated by the Nanking Government to Kwangsi.

4. The reorganization of the three divisions of the 19th Route Army, which will be stationed in Southern Kwangtung. Nanking should give it financial assistance.

5. The appointment of Huang Shu-chu as Chairman of Kwangsi. Kuomintang affairs in Kwangsi to be re-organized by Nanking.

6. Not to be published.

7. Nanking should suspend military preparations against Kwangsi.

8. General Li Chi-sen to be permitted to go abroad. After his return, he and General Chen Min-shu be allowed to participate in Government affairs.

The general principles relating to the rehabilitation of Kwangsi province as proposed by the Central authorities and brought to Nanning, provincial capital of Kwangsi, by General Cheng Chien, Chief of the General Staff, and General Huang Shao-hsiung, the re-appointed Chairman of the Chekiang Provincial Government, are as follows :—

1. The administrative system and policy of Kwangsi shall be in conformity with those promulgated by the Central Government.

2. Deputies are to be despatched by the Central Government to Kwangsi for the readjustment of the provincial finances in accordance with the procedure for Kwangtung.

3. All matters relating to changes of organization and personnel are to be effected with due regard to local conditions.

4. The military units are to be reduced, and military expenditure should not exceed 50% of the total disbursements for Party, military, administrative and educational purposes. A subsidy will be granted by the Central Government but the military expenses must not exceed the budget.

These principles are being discussed at Nanning between Generals Cheng and Huang on the one hand and Generals Li Tsung-jen and Pai Chung-hsi, the two Kwangsi leaders, on the other.

According to present plans, the Kwangsi troops will be reorganized into the Fifth Route Army consisting of five divisions, which will be commanded, respectively, by Gens. Wang Chang-ping, Chow Tso-kwong, Shing Lien-fang, Soo Tso-hsiang and Ho Wei-tseng. The units of the 19th Route Army will also be incorporated into the 5th Route Army.

According to *Hwa Mei Wan Pao* Sept. 11, the main term contained in the peace pact between Nanking and Kwangsi is the resistance to foreign aggression, the empanicipation of the partiotic movement and the dispatch of the government troops to the North. The definite assurance given by General Chiang that he will immediately put these into effect accelerates peace between Nanking and Kwangsi.

Shanghai Nichi-Nichi reported Sept. 9 that the Kwangsi leaders have issued an Anti-Japanese hand bill, the contents of which are: "We swear to stand for the anti-Japanese resistance for National Salvation, the overthrow of Japanese imperialism, the recovery of the lost territories, the eradication of the national traitors, and the completion of national revolution. Should we act against our oath, we are willing to be sentenced to the death penalty.

GEN. TSAI TING-KAI GIVES UP COMMAND OF 19TH ROUTE ARMY

"All my troops have been handed over to General Li Tsung-jen, new Pacification Commissioner for Kwangsi, and General Pai Chung-hsi, newly appointed member of the Military Affairs Commission. Personally I take no obstinate stand", declared General Tsai Ting-kai, Field Commander of the 19th Route Army, in an interview granted to the *Central News Agency* shortly before his departure for Kwangchow Bay Sept. 15 en route to Hongkong to recuperate his health. Liu Lu-yin, a close follower of Mr. Hu Han-min, the late Chairman of the Standing Committee of the Central Executive Committee, also left Nanning for Liuchow and Kweilin on a sightseeing trip.

Gen. Chiang Kai-shek is reported to have ordered the 19th Route Army to withdraw from Kwangtung before Sept. 16. In order to transfer his men back to Kwangsi, Gen. Tsai-Ting-kai is seeking financial assistance from the Central Government authorities. The 19th Route Army at present consists of three divisions, commanded respectively by Gens. Oung Chao-huan, Shen Kwang-han and Ou Shou-lien.

With the peaceful settlement of the Kwangsi crisis, postal remittances between Nanking and Kwangsi was resumed on Sept. 9 it is learnt at the Ministry of Communications.

Gen. Chen Cheng, Bandit-Suppression Commander for Shansi, Ninghsia and Kansu, who was the first Central Army commander to enter Canton with Gen. Yu Han-mou early last month, left Canton Sept. 14 to return to his post.

The Canton Branch of the National People's Economic Reconstruction Commission will be inaugurated Sept. 16, according to *Central News*.

The New Life Movement is a movement aiming at national salvation, and we should therefore promote it with the utmost sincerity and the strongest self-confidence, declared Gen. Yu Han-mou, Pacification Commissioner for Kwangtung, in a broadcast speech over the City Government Radio Station in Canton Sept. 11.

The real cause of the execution of Dr. Feng Jui, former head of the Bureau of Agriculture and Forestry is due his embezzlement of the $3,000,000 appropriated by the Nanking Government for the readjustment of the financial system in Kwangtung. H. O. Tong, Commissioner of Liangkwang Salt Administration and formerly Superintendent of the Chinese Customs in Shanghai, was allegedly involved in the case and forced to tender his resignation, alleged *Shanghai Mainichi* Sept. 10.

H. O. Tong, Commissioner of the Salt Administration of Kwangtung and Kwangsi, has tendered his resignation, reported *Reuters* Sept. 9. Tang Hsuan, it is learned, will be appointed to succeed him.

WANG KEH-MIN RESIGNS, GEN. SUNG SEEKS SUCCESSOR

"I have no intention to take up my new post as Chairman of the Economic Affairs Committee of the Hopei-Chahar Political Council," Wang Keh-min informed Chinese pressmen in Tientsin Sept. 8. Mr. Wang arrived at Tientsin Sept. 8 from Shanghai via Tsingtao and Dairen. He revealed that while in Dairen he had interviews with Mr. Tanaka, Chief of Staff to the Japanese Kwantung Army, and with Mr. Matsuoka, Director of the South Manchuria Railway, but he did not say what was the nature of their interviews.

Mr. Wang had a two-hour interview with Gen. Tashiro, Commander of Japanese Garrison Forces in North China, Sept. 9. Their conversation touched upon various questions concerning the economic development of North China.

Carrying banners, over 100 men alleged to have been hired by the so-called Oriental Economic Union attempted a demonstration against Wang Keh-min, Sept. 10. After sending a petition to the Mayor's Office denouncing Mr. Wang, the demonstrators attempted to proceed to the station where General Sung Cheh-yuan, was to arrive, but were turned back by the police.

Because of differences of opinion among the different Japanese military authorities, the proposed Sino-Japanese economic cooperation measures for North China will not be carried out for the time being. Wang Keh-min, who negotiated with the Japanese in this matter, will return to Shanghai some time this month, reported *Ta Kung Pao* Sept. 12.

With the definite resignation of Wang Keh-min as Chairman of the Economic Committee of the Hopei-Chahar Political Affairs Committee, it is learnt that General Sung Che-yuan, Chairman of the Economic Committee of the Hopei-Chahar Political Affairs Committee, it is learnt that General Sung Che-yuan, Chairman of the Hopei-Charhar Political Affairs Council, contemplates the appointment of either Li Shih-hao or Chang Hu, former Ministers of Finance in the Peking regime, as Mr. Wang's successor.

Press reports from Tientsin to the effect that Li Shih-hao, former Minister of Finance, has been slated for the post as Chairman of the Economic Committee of the Hopei and Chahar Political Council, to succeed Wang Keh-min, was characterized by relatives of Mr. Li Sept. 15 as incorrect, reported *Central News*. Mr. Li has been living here since his retirement. He is now in business and has no intention of entering public service again.

GEN. SUNG CHEH-YUAN VISITS JAPANESE COMMANDER AT TIENTSIN

After reviewing his roops at Nanyuan, General Sung Cheyuan, Chairman of the Hopei-Chahar Political Council, arrived at Tientsin from Peiping by rail at 4.10 p.m. Sept. 10

In a written statement, General Sung said that he has no other mission there except to visit his parent. In case of necessity, he will pay visits to Lieut.-General Tashiro, Commander of the Japanese Forces in North China, and Mr. Horiuchi, Japanese Consul-General in Tientsin. The negotiations between Wang Keh-min and various quarters are of a private nature. So far no concrete plans concerning the economic development of North China have been decided. With reference to the question of economic cooperation between China and Japan, General Sung said both sides will be willing to commence negotiations when necessary to consider matters of mutual benefit. The time is still premature to talk about the acceptance of any general principles in that respect.

Shun Pao reported Sept. 13 that the Hopei-Chahar Political Council will abolish the chairman system and in its place will institute a standing committee of three or five.

In view of the unstable condition prevailing in the area, the Hopei-Chahar Political Council issued an order Sept. 8 which calls for the suppression of all communists and reactionaries in the two provinces. Declaring that large numbers of reactionaries are hiding in the two provinces, ready to do anything to provoke a serious crisis, the authorities announce that anyone found guilty of causing disturbances will be severely punished.

Tso Ju-lin, member of the Hopei and Chahar Political Council, has again tendered his resignation to Gen. Sung Cheh-yuan, the Chairman, on account of illness and his advanced age.

SHANSI LEADER URGES CENTRAL CONTROL OF TWO NORTHERN PROVINCES

Financial administration and the military forces of Shansi and Suiyuan should be placed under the control of the Central Government, Gen. Yen Hsi-shan, Pacification Commissioner for the two provinces, declared Sept. 14, according to a *Domei* report. Gen. Yen also said that the fate of Suiyuan would have an important bearing upon China's national destinies and that Shansi would give

all possible assistance to the former province. The official also appealed to the Central authorities to give aid to Shansi.

A military conference was summoned by General Han Fu-chu, Chairman of Shantung, Sept. 1, according to *Laichow Jih Pao* Sept. 2. The following decisions were reached at the conference:

1. That the Shantung Army will be re-organized in accordance with instructions from the Nanking Government.

2. That a plan to strengthen the defense of Shantung be drafted and submitted to the Military Affairs Commission in Nanking for approval.

Shanghai Nichi-Nichi reported Sept. 8 that Gen. Chiang Kai-shek, after the settlement of the Liang-Kwang problem, has started to build fortifications along the borders of North China, and has ordered Chiang Hsueh-liang to move his forces towards Suiyuan and Ninghsia, cooperating with the local troops in Suiyuan, Ninghsia, and Shansi to defend the bordering territories. Gen. Chang will shortly proceed to Taiyuan to see Yen Hsi-san, Governor of Shansi, regarding the matter.

JAPANESE, KOREAN INVESTIGATORS RAMPANT IN HOPEI PROVINCE

Japanese and Koreans, in small parties of threes and fives, have been swarming over every nook and corner in Hopei province, making topographical sketches, taking pictures of strategically important points and investigating economic resources in general, reported *Central News* Sept. 12. At least more than 100 such parties passed through Paoting during the last few months, some of them accompanied by Chinese interpreters and practically all well equipped with cameras, note books and surveying apparatus. Judging by their activities and footsteps much of the information sought by these Japanese and Korean inquirers was either of military importance or of potential economic significance. Highways, railways, and other means of communications, distribution of villages, their populations and people's modes of living all came within the scope of their investigations. One party of investigators sent by the South Manchuria Railway recently made a thorough study of the two workshops on the Peiping-Hankow Railway at Peiping and Changhsintien respectively. Later they proceeded to Chengchow, noting on the way the steel rails and other engineering equipments.

Most of the Japanese investigators were learned to have taken copious notes on iron and coal mines at Tsinching, Lincheng, Tsehsien and Huanpin, Chinese factories at Shihchiachwang and Tsangchow, medicinal herbs of Ankuo, home-woven cloth at Kaoying and cotton production at Chengting.

One hundred twenty fully armed Japanese soldiers in Tientsin left Sept. 11 by train for Peiping. Meanwhile, 250 Japanese soldiers stationed in Peiping went to Tungchow Sept. 11 to stage a series of manoeuvers.

More than one hundred Japanese soldiers, fully armed, arrived at Tientsin from Tangku Sept. 14.

To afford better protection to British interests in North China, the British Government is understood to have authorized the increase, of its North China forces by 100 men beginning next year.

Shanghai Nichi-Nichi reported Sept. 8 that there has been found recently a great number of anti-Manchukuo and anti-Japanese handbills in North China. The Chinese Correspondent Group in Peiping and Tientsin, having received the secret instructions of the Central Government regarding anti-Manchukuo and anti-Japanese activities, has been engaged in the designated activities in cooperation with the United Student Association of anti-Japanese Resistance for National Salvation, endeavouring to create troubles in North China in accordance with the will of Gen. Chiang Kai-shek. Handbills, which have been spread by them, have been found in Peiping and Tientsin.

The Hopei-Chahar authorities have decided to send five Chinese army officers to Japan to be observers of the Japanese Maneuvers to be held in the fall, reported *Central News* Sept. 14.

EX-JAPAN ENVOY TO CHINA URGES FAR-SIGHTEDNESS IN READJUSTMENT OF RELATIONS

An interesting article was written by A. Ariyoshi, former Japanese Ambassador to China, in the Tokyo *Asahi* on Sept. 2, 3 and 4, in which he belittled the so-called "Chengtu Incident," which, he said, is but an unexpected incident. The article reads in part as follows:

"My successor was Mr. Arita, who has now been appointed minister of foreign affiars. Mr. Kawagoe, the new Japanese Ambassador to China, has only one point in view, that is, to conclude the much-heralded Sino-Japanese Economic Co-operation Pact. It is my opinion that the readjustment of Sino-Japanese diplomatic relations should be made on a far-sighted basis. Unless friendship and co-operation continue to exist between the two countries, it will prove to the disadvantages to both parties. The truth of this fact was apprehended by the majority of the Chinese people. It is difficult to foretell the future destiny of the Chinese Nation. As the Southwestern trouble has been settled, it is my opinion that General Chiang Kai-shek and the National Government of Nanking will reach an "understanding" with the Japanese Government which, I dare say, will prove also to the interests of the Nanking authorities. Regarding the financial condition in China, it must be admitted that the foreign exchange has been stabilized, notwithstanding the unfavorable commants from the Japanese. It seems that China is now on her way to national unity. Japan should not do anything to hinder the success of this national unity, even if she is most reluctant to see China united. The North China problem is unquestionably a great obstacle to a readjustment of Sino-Japanese relations. China and Japan will live together in harmony if such an obstacle could be removed."

Lieut.-Gen. Yoshitsugu Tatekawa, retired, until recently commander of the Fourth Division, left Tokyo Sept. 14 for a tour of Manchukuo and North China. The officer was recently mentioned in press reports as a candidate for the post of supreme political advisor to the Hopei and Chahar Council.

SEVEN JAPANESE EXPERTS TO EXPLORE NORTH CHINA

Seven ranking experts from the Ministry of Forestry and Agriculture will launch into an extensive investigation of the farming problems of North China early next month, *Domei* reported from Tokyo Sept. 15. This will be the first undertaking of its kind sponsored by an official Japanese organ.

The inquiry will cover: Agricultural management and conditions in North China; The relation between products and internal and external markets; The nature and type of various farm products, and The processing of various agricultural and farm products. Heading the group will be Dr. Kenichi Kodaira, director of the Economic Rehabilitation Bureau of the Ministry, who recently was appointed an advisor to the Kwangtung Army. Others will be Ichiro Miura, chief of the conservancy section of the Forestry Bureau; Kimisaki Hasuike, a member of the secretariat; Shigeki Nakahara, and Saburo Miyake, experts attached to the Bureau of the Animal Husbandry, and Dr. Hiroshi Terao, expert attached to the National Agricultural Experimental Station.

TROUBLE EXPECTED ON SUIYUAN FRONT DESPITE PREVAILING QUIET

Although quiet now prevails outwardly on the Suiyuan-Chahar border, trouble may arise at any moment, reports *Central News*. Irregular troops under the notorious bandit chieftain, Wang Ying, are still concentrated in Shangtu and Changpei. Wang has recently sent out agents to various places to enlist recruits. Many of these agents have been arrested by Government troops. Heavy Government troops, according to military circles, stationed around Shangtu and Changpei, are keeping close watch over the activities of the bandits. In Kalgan, travelers leaving the city were strictly searched. Those who have no proper professional certificates were detained and questioned. Meanwhile, 2,000 Mongolian troops recently recruited by Pao Yueh-ching, former personal representative of Prince Teh in Peiping, have been rushed to Shangtu and Pailingmiao to reinforce the defenses there.

The Paoantuei recently reorganized from the former peace preservation of the Mongolian Political Autonomy Council at Pailingmiao stationed at Chasu and Pikeh Stations along the Peiping-Suiyuan Railway mutinied Sept. 14. The mutineers were, however, dispersed when the troops under General Fu Tso-yi arrived there the following day.

BRITAIN SAID PREVENTING RETURN OF PANCHEN LAMA TO TIBET

According to a *Shanghai Nichi-Nichi* report Sept. 11, the British authorities in India are greatly disquieted over the prospect of the return of the Panchen Lama to Tibet. Many British emissaries have been sent to Tibet to learn the language, while British agents are active in Lhasa, the capital, trying to prevent the return of the Panchen Lama to his native land. The people of Inner Tibet are eager for the Panchen Lama to return. But the people of Outer Tibet oppose his return and declare that they will accept him only on the following conditions:

(1) That he should not be accompanied into Tibet by bodyguards appointed by the Nanking Government.

(2) That none of the Panchen Lama's Chinese followers be allowed to enter Tibet.

Chao Sho-yu, the special commissioner delegated to escort the Panchen Lama to Tibet, left Nanking Sept. 15 for Kokonor where he will meet the Panchen Lama. In connection with the story of the Dalai Lama's reincarnation, it is learned that the Mongolian and Tibetan Affairs Commission has telegraphed an inquiry to Lhasa, but has hitherto received no reply.

FORBEARANCE ESSENTIAL IN MODERN STATECRAFT, SAYS YEH CHU-TSANG

Forbearance will ultimately triumph in dealing with national and international affairs, declared Yeh Chu-tsang, Secretary-General of the Central Kuomintang Headquarters, at the memorial service of the Tangpu Sept. 14, with the approach of the fifth anniversary of the Mukden Incident of Sept. 18, 1931, Mr. Yeh expressed the hope that the people will refrain from any action which may embarrass the government in its foreign relations. Emotional extremities, Mr. Yeh asserted, have no place in modern statecraft. The recent stateman-like solution of the Kwangsi situation is an ample proof. When the Kwangsi situation was tense, he revealed, many government officials last their patience and hoped that more drastic measures be adopted, but thanks to the utmost forbearance exercised by General Chiang Kai-shek, President of the Executive Yuan and Chairman of the Military Affairs Commission, what would have been another internal strife was finally averted.

Many Japanese Killed in Bandit Encounter Near Muling

Twenty-five Japanese officers and men were killed and 65 were wounded in a sanguinary encounter with a band of 250 Chinese and Korean bandits on the evening of Sept. 12 eight kilometers west of Muling, in eastern Manchuria, according to an announcement by the headquarters of the 12th Division at Kyushu. The desperadoes attacked a troop train, and were driven off only after a desperate engagement lasting all night.

A *Hawlien* message from Changchun Sept. 10 stated that more than 100 anti-Japanese volunteers under the command of Wang King-tze attacked a train on the Anfeng railway, in the Shihtaitze on the night of Sept. 9, when a number of Japanese were killed and wounded. The volunteers carried away large sums of money from the Japanese passengers on the train.

Manchukuo Troops Mutiny—Seize Officers

Manchukuo troops under the command of General Li Hai-tien are reported to have mutinied against Yin Ju-keng, the notorious leader of the bogus East Hopei regime, during the night of Sept. 6 at Changli, when General Li was ordered to go to Japan on an inspection tour. More Manchukuo troops are reported to have mutinied in support of the men under General Li and as many as 11 Manchukuo officers are stated to have been kidnapped by these mutineers. These mutineers destroyed portions of the rails of the Peiping-Liaoning Railway.

Manchurian-Korean Company Formed in Changchun

A Manchuria-Korea Development Company, whose aim will be to aid Korean emigrants to settle in Manchuria and buy land, was formed in Changchun Sept. 12. The new company will loan small sums to Korean farmers to enable them to cultivate the soil.

B.I.S. Will Recognize Manchukuo Central Bank

Although Japan and San Salvador are the only countries which have formally recognized Manchukuo, other countries take the form of *de facto* recognition of Manchukuo as in the case of the Barnby Report; now the authorities of the Bank for International Settlements have signified their intention of recognizing the Manchukuo Central Bank, the *Tokyo Jiji* of Sept. 5 stated.

Manchukuo Welcomes Japanese Migration

A delegation of the Manchukuo authorities has been sent to North Manchuria to conduct a detailed investigation into land conditions in that area to prepare for the large-scale Japanese migration plan. According to investigations, the total area of land suitable for cultivation in North Manchuria is estimated at 19,490,000 mow, of which one-third has already been cultivated. The area suitable for cultivation in North Manchuria is estimated at two and-a-half times more than that in Japan. A Changchun message to the *Sin Wen Pao* Sept. 9 stated that it is understood that the Manchukuo authorities have decided to hand over the area for the use of the Japanese.

Shigemitsu to Make Tour of Manchuria

Mamoru Shigemitsu, former vice-minister of Foreign Affairs, who was recently appointed ambassador to Moscow, will sail from Moji for Dairen in what is described as a leisurely tour of Manchukuo and North China on Sept. 25; and is expected back in Tokyo in the middle of October.

Delegates Get Orders for Manchuli Confab

Manchukuo's delegates to the conference dealing with the readjustment of relations between the New Empire and Outer Mongolia, which will be called to order in Manchuli on Sept. 25, received final instructions from the authorities of the Foreign Office at Changchun Sept. 14.

U.S. Communist Presidential Candidate Was Active in China Nine Years Ago

Earl Browder, the Communist Condidate for President of the United States, was a visitor to China in 1927 and 1928. He came to China as the Americaon representative of the International Workmen's Delegation to the Pan-Pacific Labor Conference held at Canton and Hankow in April and May of 1927.

The *North China Daily News* pointed out that in those days Mr. Browder was secretary of an organization known as the Pan-Pacific Trade Union Secretariat and in that capacity he framed and put into working order new trade unions in the East. He was also active at political meetings, addressing, amongst others, a body of Sikhs at Hankow in April, 1927. The meetings held in Shanghai were not public, and when he went to Manila the the same year he used the name "George Morris." Mr. Browder continued his westward journey in 1928 until he reached Moscow, where he attended the Sixth World Congress of the Communist International. He has made frequent reference to China in his American speeches. In August, 1929, he made a trip to Vladivostock to attend another congress of trade unions. Mr. Browder hails from Kansas.

Jewish Autonomous Region Makes Great Progress Under Soviet Guidance

The Presidium of the Central Executive Committee of the U.S.S.R. recently outlined an extensive program of the further economic and cultural upbuilding of the Jewish Autonomous Region. A *Tass* message from Khabarovsk says that in the course of the two years which have elapsed since the formation of the Jewish Autonomous Region, in the Far Eastern Territory, its population has increased from 53,000 to 64,000. The Jews who in 1928 formed only 2 per cent of the inhabitants, now account for 28 per cent. The number of collective farms organized by Jewish settlers increased in the course of two years from 4 to 15. The capital investments into the industrial, social, cultural and housing construction increased from 16 million roubles in 1934 to 160 million roubles in 1936.

Soviets Allege Torture by Japano-Manchurian Authorities

According to reports received from Khaborovsk, 21 Soviet citizens were arrested last week by the Japano-Manchurian authorities and are kept in the Harbin prison. The arrested men are (according to *Tass*) subjected to unheard of tortures and beatings by the Japanese gendarmes and white guards employed by the police secret service. The Japanese allegedly compelled the arrested to sign clean sheets of paper, which are afterwards filled in by white guard spies at their discretion, or documents written in the Japanese and Chinese languages which the arrested do not understand.

Soviet Skipper to Stand Trial in Formosan Port

Capt. Dmitri Daniloff, skipper of the Soviet freighter *Terek*, which attempted to enter the naval port of Mako in the Pescadores on Aug. 16 will stand trial at Takao on a charge of having violated the Japanese navigation laws, the Takao District Court announced Sept. 11.

Japanese Allegedly Interfere With Through Siberian Rail Communications

Tass reports from Chita last week stated that the Japano-Manchurian police at Station Manchuli continue to create difficulties to the international railway traffic. Recently, the police have been subjecting crews of the Trans-Siberian expresses to prolonged interrogations in a rude, mocking manner, representatives of the Soviet railway not being admitted, it was alleged.

Japan Oil Firm Gets Extension of Saghalien Lease

Following protracted negotiations between the Soviet Government and officials of the North Saghalien Oil Company, Moscow has agreed to extend the concern's prospecting period for five years, until 1941, the home office of the Nipponese firm in Tokyo was advised Sept. 15. Moscow's decision came as a sequel to conversations conducted with the heads of the Commissariat of Heavy Industry by Rear-Admiral Masazo Sakonji, I.J.N.R., president of the company, who left Tokyo for the Soviet Capital on June 23. The decision represented a concession on the part of the Soviet authorities, who originally proposed to limit the extension to three years. Details of the new agreement, which will come into force on Jan. 1 next, will be worked out at conferences between the Soviet officials and Kakuhon Furuzawa, director of the Company's general affairs bureau.

M. Bogomolov, Soviet Ambassador, Notes Popularity of Soviet Films Among Chinese

In an interview with representatives of the foreign and Chinese press, in Shanghai Sept. 10, D. V. Bogomolov, U.S.S.R. Ambassador to China, categorically refuted the allegations of German News Agencies regarding the "famine" in Ukraine, clashes of peasants with military forces, etc. Mr. Bogomolov mentioned that an interview of Mr. Grushevsky, Acting People's Commissar of Agriculture in Ukraine, confirmed that the said German allegations are entirely false and he noted with great satisfaction that this interview had been published by many Chinese papers. Only the fact that at the end of this year not a single peasant will remain in Ukraine who has no cow of his own, is the best proof said M. Bogomolov, of enormous achievements in the matter of development of the agriculture, which secures the improvement in the living standard of wide masses of the populace.

Mr. Bogomolov further stated that local Japanese papers are extremely displeased with the fact that Soviet films are becoming more and more popular with the Chinese public. He said he did not agree with the opinion, set forth by the Japanese newspapers and he considered this fact as a very favorable one not only for the U.S.S.R., and not only for China, but for the cause of general peace also.

"We are of the opinion" said M. Bogomolov, "that one of the main reasons which caused governments to involve their peoples into wars was the fact that peoples' masses have not been acquainted well enough with feelings and thoughts of other peoples' masses over the frontier: no people wants to fight. And this fact once more proves that cultural rapprochement between peoples of individual countries can only facilitate the development of friendly relations between such peoples and in a certain degree can prevent governments from organizing wars and conflicts of any kind. I personally am very glad that our cultural activities meet with assistance from the side of the Chinese Government and the Chinese public."

Japanese Army to Spend Yen 3,000,000,000 in Six Years

A *Domei* message from Tokyo Sept. 13 stated that the new budgetary demands, which will aggregate Yen 3,000,000,000 in six years, are provided for in a 12-year plan for the strengthening of the Japanese Army, which military leaders propose to put into effect beginning in 1937.

The new demands will be exclusive of the annual basic military expenditures and are designed to bring about an expansion of the air arm and the improvement of material. According to information available in Tokyo military circles, the Japanese War Office's total draft estimates for the 1937-38 fiscal year, will reach about Yen 820,000,000, by far the largest sum asked by any single ministry. This amount will include the funds necessary to put into effect the various programs to be carried out during the first year of the 12-year project, as well as basic expenditures.

The army budget, it was indicated, will keep on increasing annually by about Yen 100,000,000 until the sixth year is reached.

At this time, the larger part of the project is to be completed and the new demands are scheduled to be gradually tapered off. The 12-year program, military spokesmen said, is designed to enable Japan to keep in step with the annual increase in armaments of other Asiatic powers.

First 1936-37 Deficit Bond Issue to Be Made Sept. 22

Marking the first governmental borrowing to make-up budget deficiencies during this fiscal year, the Ministry of Finance will place Yen 250,000,000 worth of "red-ink" bonds on the market on Sept. 22, it was announced in Tokyo Sept. 12. Manchurian expenditures will consume Yen 100,000,000 of the borrowed sum, the announcement added. The bonds, of a face value of Yen 100 each, will be marketed at Yen 98. They carry a yearly interest of 3½ per cent and mature in 16 years and eight months.

Japan Labor Union Front Hard Hit as Arsenal Workers Quit

Japan's labor union movement suffered a serious setback Sept. 12 as the Army authorities ordered the withdrawal of all arsenal unions from the Federation of Labor for Employees in Government Industries. The step, an Army spokesman claimed, was taken to "increase the spirit of unity in the service following the tightening of discipline as a sequel to the Incident of Feb. 26." Labor leaders charged it was a measure to coerce arsenal workers into a Fascist set-up. The Federation, one of the strongest affiliates of the General Federation of Labor, and a strong supporter of the Social Masses Party, which scored spectacular gains in the last Diet elections, was formed about 20 years ago. Ukichi Nishiura is president.

A *Domei* message from Tokyo Sept. 12 stated that the order issued by the War Ministry prohibiting state arsenal employees from belonging to trade unions has provoked widespread protests, especially in the ranks of the Social Massas Party, which held an emergency meeting to consider the matter. Viewing the army's move as a blow at organized labor generally, the executive of the Tokyo Transportation Workers' Union will meet shortly to decide what action should be taken.

First Permits Issued Under New Japan Automobile Law

The Tokyo Ministry of Commerce and Industry Sept. 14 approved applications of the Toyoda Automatic Loom Co. and the Nissan Automobile Co., to start operations under the new automobile manufacturing law. The combined output of these two firms for next year is expected to total 6,000 cars. Nissan will devote its energies exclusively to the making of low-priced "baby" cars.

Showa Steel Works Plan Third Production Increase

The directors of the South Manchuria Railway Company met Sept. 7 and gave sanction to the third-period production increase plan of the Showa Steel Works, a plan designed to produce 1,000,000 tons of pig iron and export to Japan Proper of 400,000 to 500,000 tons of pig iron for casting purposes.

The Japan Iron & Steel Co. will supply some 240,000 tons of pig iron for the October-December period, including 110,000 tons produced by itself, 30,000 tons of Bengal iron, and 100,000 tons of Soviet iron, of which 75,000 tons have already been furnished.

Japan's Trade With Oriental Countries Shows Gain

Japanese trade with Oriental countries in August amounted to Yen 82,004,000 with a favorable balance of Yen 39,508,000. Exports totalled Yen 60,756,000 and imports, Yen 21,248,000, the Tokyo Finance Ministry announced Sept. 12. The excess of exports since January 1 reached Yen 188,757,000. Exports to the Kwantung Leased Territory led the list with Yen 30,674,000, while Manchukuo came second, having bought Japanese products valued at Yen 13,824,000. Japan's exports to China came third with Yen 12,167,000. Of this total Yen 4,555,000 went to North China, Yen 7,196,000 to the central part of the country and Yen 416,000 to the south. Hongkong's purchase of Japanese goods amounted to Yen 4,091,000.

N.Y.K. Puts Three More Ships on Shanghai Run

With the commencement of the wheat and raw cotton market season, the Nippon Yusen Kaisha has added three freighters to the fleet of vessels on the Japan-Shanghai run.

Japan Wool Importers to Boycott Australian Product

Decision to boycott Australia, in view of the alleged adamant stand assumed by the Canberra Government in the current negotiations for the conclusion of a new trade agreement, was reached by Nipponese importers of wool, Sept. 15.

Premier Hirota Says Japanese Newspapers Have Lost Spirit

The editor of the *Okayama Translation Service* reports that when Premier Hirota received a group of Japanese newspapermen on Aug. 29 at his villa in Kugeruma he criticized the newspapers in general for their utter lack of spirit of late. "Even the *Asahi's* editorials are weak. What's becomes of its old spiritedness and compelling force?" he asked. The newspapermen were dumbfounded at the Premier's unexpected sharp criticism. The *Okayama Service* also commented that Yukichi Iwanaga, recently chosen as President of the *Domei News Agency*, continues to be out of health due to heart trouble, and the newspapers concerned express doubts whether Mr. Iwanaga will be able to work hard. Even during his tenure of office as Managing Director of *Rengo*, (predecessor of *Domei*), Mr. Iwanaga was forced to his bed on several occasions on account his weak heart.

Korean Newspaper Suspended for Erasing Japanese Emblem from Athlete Son's Photo

The Korean newspaper *Chuo Nippo* (Central Daily News) has ceased to appear for the time being, with the September 5 issue as the last one. Said newspaper printed the photograph of the Korean athlete Son (at the German Olympic Games) with the Japanese flag deliberately removed from Son's breast. As a result three members of the Korean newspaper were arrested by the Korean police for examination.

$1,400,000 Advanced on Cotton Crops by Rural Credit Syndicate

To finance the transportation and sale of the year's big harvest of cotton in Hopei, Shansi, and Shensi provinces, the Chinese Rural Credit Syndicate has advanced $1,400,000 to the co-operatives in said provinces.

Szechuan Gives $3,000,000 in Credits to Farmers

In an attempt to improve the financial conditions of the rural districts, the Departments of Finance and Reconstruction have organized a Szechuan Rural Cooperatives Committee. The Committee has received a total of $5,000,000 worth of bonds, which were discounted for $3,000,000, to carry on this work.

Industry Minister Says Credit Loans Urgently Needed

Co-operative enterprises in China should be conducted along simple lines in order to make them effective, because the movement is still in its infancy, in the opinion of Wu Ting-chang, Minister of Industries, who returned to Nanking Sept. 9 from a 17-day trip to Kiangsi, Anhwei, Hunan and Hupeh investigating conditions of the various cooperative societies. One of the impressions he gathered during his tour, Mr. Wu said, was that the Cooperative Laws in China must be uniform and that the enterprise should be undertaken by local authorities under the direction of the Central Government. He added that facilities for credit loans are urgently needed.

Agricultural Foundation Bureau Directors Hold Inaugural Meeting

The Board of Directors of the Agricultural Foundation Bureau held its inaugural meeting Sept. 15. Interviewed regarding the plan of the Bureau for the marketing of agricultural produce, Dr. Ma Yin-chu, Chairman of the Finance Committee of the Legislative Yuan, said the capital accumulated by the various banks in the interior districts, should be invested as small credit loans to the peasants, instead of being concentrated in the cities.

New Railway Line to Be Built to Carry Agricultural Products

With a view to permitting the transportation of agricultural products in Anhwei and Kiangsi, the Ministry of Railways will build a line from Chuancheng, present terminus of the Kiangnan Railway, in Anhwei, to Kweichi on the Chekiang-Kiangsi Railway in order to link up the two lines. Construction on the new line will be started shortly and is expected to be completed by the end of 1937.

China's Exports of Agricultural Products Rose Last Year, Research Bureau Says

Despite the fact that China is an agricultural country, imports of agricultural products from foreign countries continued to rise during last year, according to a report released by the National Agricultural Research Bureau. The foreign imports include food supplies, clothing, daily articles, fertilizers, and luxuries. The consumption of cigarettes and wine by peasants was also increased last year.

China Red Leaders Hold Grand Rendezvous in Kansu

BY THE REVIEW'S HANKOW CORRESPONDENT

ALL of the great Red leaders in China, Chu Teh, Ho Lung, Hsu, Mao Tse-tung, Hsiao Keh, etc., are now in Kansu, preparatory to a concerted drive to be made later. In the recent airmail letter sent from Lanchow, capital of Kansu province on the 8th of September, our foreign informant describes the situation in Kansu as daily growing darker. Dozens of large walled cities are being besieged and the population is becoming alarmed, since the government troops do not at present seem able to cope with the fierce attacks of the Red troops. However, the Moslem troops in the southwestern part of the province have a good reputation of being very fierce fighters and will doubtless hold the Reds off indefinitely unless they should be dreadfully outnumbered.

Reds Capture Cities in South Kansu

While the Reds have captured the cities of Weiyuen, Changhsien, and the Old and New City areas in southern Kansu, they have not yet been able to bring about the fall of Minchow or Titao, both of which are being besieged. It is reliably reported that 3,000 Reds have established their own government in the Old and New City areas. In all places the fixed policy of the Communists is to treat the common people well. Only the officials and upper classes are made to suffer directly. Of course the Reds help themselves to the food of the country wherever they sojourn and have no scruples about devouring the food raised for the population of any given area. The Red leaders are particularly anxious to get on the good side of muleteers and drivers, who make excellent guides over mountain passes.

Hochow Receiving Reinforcements

Since receiving a large complement of Moslem troops, Hochow, a city situated 70 miles southwest of Lanchow, is said to be ready for any attack by the Reds. Minchow, however, is in a more precarious situation. General Lu is defending the city with all the government troops at his disposal. He is hoping to have reinforcements soon. By means of radio he is able to keep in touch with the provincial authorities at Lanchow. The city is completely surrounded by Reds.

Three of General Lu's wives are at Lanchow and seem to be very much concerned about the final outcome of the present struggle. One of them just lately presented the general with a new baby daughter.

Titao Also Besieged by Reds

Several thousand Red troops are continuing the siege of Titao a city but 70 miles south of Lanchow, the capital. The Communists are growing more and more daring. The main reason for this attitude is the fact that the great bulk of the Red army in China is now centered in Kansu. The Reds are quite determined to take charge of the province, it would seem. At least they seem definitely to have decided to make the last supreme effort to gain control of a large area of China. This time there seems to be method in their madness, as Kansu is adjacent to Sinkiang, Soviet Russia's huge sphere of influence.

Titao Situation Serious

Unless reinforcements arrive at Titao soon, there is danger of the Reds capturing it and the result would be a serious threat to Lanchow, the capital. The Reds from the east of Lanchow, near Kuyuan are said to be foregathering about Titao. The final outcome of the intentional continuous and increasing concentration of Red forces, would lead one to surmising that the main objective of the Red leaders is a strengthening of their contact with the Reds in Soviet Russia.

Lanchow Still Safe as Troops Keep Pouring in

Foreigners have been evacuated to Lanchow, still considered a safe place. However, some of the missionaries who have been up in the panhandle of Kansu, have not stopped at reaching Lanchow, but have journeyed further to Sian by plane. They maintain that the situation may blow up at any time and the difficulty of leaving Lanchow in a hurry might prove insurmountable, being that the bus route to Sian is constantly threatened by roving hordes of bandits and of Reds. The Yellow river trip down to Paotou is also considered unsafe at present.

Hua Chia Ling Falls to the Reds

On the direct highway from Lanchow to Sian, the Reds have captured a city called Hua Chia Ling. This shows the difficulty confronting the government troops, who are seeking to defend the borders of a vast province against what it believes to be subversive doctrine.

Three Catholic Fathers Missing

Three Catholic fathers are reported missing. Some seem to think that they are in hiding near Minchow, south of Lanchow, the city which is being besieged by the Reds. Much anxiety is felt for one of them. They are Germans.

German Business Man Also Missing

No news has arrived in Lanchow concerning the whereabouts of Mr. Wrobel. The most authentic information indicates that he is at present in Tienchui (Tsinchow).

Lanchow Preparing to Launch a Huge Offensive

The government is seeking to combat the present difficulty and thousands of troops are pouring into Lanchow each week. It is hoped that the tide can be stemmed before it is too late. Meanwhile the Reds continue to make life miserable for the few military leaders on whose shoulders rests the burden of maintaining law and order.

Missionaries Still in Lanchow

The great majority of missionaries are staying on in Lanchow for the present. Should the situation grow worse they may evacuate to Sian.

Hankow, Sept. 14, 1936.

Water in Yellow River Drops—No Flood Expected This Year

The water levels in the various sections of the Yellow River in Shantung continued to rise until the afternoon of Sept. 11 when a slight drop was registered. Kung Hsiang-yung, Chairman of the Yellow River Conservancy Board, arrived in Tsingtao Sept. 13 from Tsinan in the company of Admiral Shen Hung-lieh, Mayor of Tsingtao. Interviewed, Mr. Kung said that no flood is expected and conditions along the lower reaches of the Yellow River are satisfactory.

Besides a gap measuring more than 100 feet wide which occurred on Sept. 12 at the main Yellow River dyke at Tungchwang, several minor breaches are reported to have occurred at various sections of the dam, as a result of the phenomenal rise of the river during the past few days.

Fu Ju-lin, Chairman of the Yangtsze River Conservancy Commission, accompanied by Li I-chih, adviser of the Commission, proceeded to Hankow this week in inspect the dyke-repair work on the Han River in northern Hupeh and general conditions on the upper reaches of the Yangtsze River.

Fears of a major flood catastrophe in Hopei as a result of the alarming rise of all rivers in the province from Sept. 4 to 8 have been dispelled as reports received in Paoting Sept. 13 indicated a general drop in all water levels.

More than 50 persons were drowned Sept. 13 when a steamer plying between Foochow and Loyuan capsized in a storm near Huangchi Shan, an island located at the mouth of the Min River. Ten men and women and a number of cattle were crushed to death by mountain slides, at Kochuen village at Mitzemiao, north Shensi, Sept. 13.

Foochow was shaken by an earthquake early in the morning of Sept. 14 lasting several seconds.

According to a belated report from Kunming (Yunnanfu), numerous houses collapsed at Hweitsehsien (Tungchuan), northeastern Yunnan, as the result of violent earthquake shocks which shook the district on six occasions between Aug. 27 and 28.

Precautionary Measures Taken Along Huai River

A Chingkingnu message Sept. 13 stated that water conservancy officials were taking strict precautionary measures along the Huai River, which is reported to have risen considerably during the previous few days.

Sian and Hankow to Have Meteorological Observatories

As a first step towards unifying the collection of weather data in various parts of the country, negotiations are now going on between the Central Meteorological Institute and the National Economic Council for the establishment of two first class meteorological observatories in Sian and Hankow respectively.

Revised Motion Picture Rules Promulgated by National Government

The revised regulations governing the shooting of motion pictures in China by foreigners, which have been formulated by the Ministry of Interior and passed by the Executive Yuan recently, were officially promulgated Sept. 14. According to the new regulations film producers desiring to shoot background scenes, newsreels or travelogues in China should first submit scenarios together with Chinese translation to the Ministry of Interior. If no scenarios are available, a statement outlining the scenes to be shot and programs should be submitted. If the results of the examination are satisfactory a permit will be issued, and with the permit the producer may apply for a safe conduct, for inland travelling.

When shooting inland the ruling further provides, the producer is subject to the supervision of the local authorities. If necessary special agents will be jointly sent by the Ministry of Interior and the Central Motion Picture Censorship Board to supervise the shooting. Such expenses are to be borne by the producer. Any foreigner shooting pictures in China without a proper permit, his camera and films will be seized by the local authorities, and the case should be reported to the Ministry of Interior for disposal.

The Tragic Experiences of a Magistrate

BY T. S. YOUNG

I HAVE not seen Mr. Chen, an intimate friend of mine, for nearly one year. Last year this time we gave him a farewell dinner on the eve of his departure for a city in northern Kiangsu to assume his new office as magistrate of that city. The said city is noted for its richness in salt production, and therefore its magistracy has been considered as a very profitable office. My friend, it must be pointed out, did not "purchase" his office as many others have usually done, and he secured his appointment principally through the assistance of his uncle, who happened to be on close terms with one of the leading officials of the Kiangsu provincial government. The news of his appointment spread like wildfire among his many friends, who, in the hope of sharing his political fortune, flocked to his home to extend their warm congratulations and gave him a rousing send-off in the bargain.

I have known Mr. Chen for more than twenty years. We were room-mates, while studying in the U.S.A., although we did not take the same course—he, Civil Engineering; while I, Banking. In spite of the difference of our temperament—he, always grave and serious-minded; while I, being jocular by nature,—we lived together in perfect harmony for three years. Being younger in appearance if not in years, I always looked upon him as my elder brother, and consulted him on many things upon which I could not decide myself. I respected him not only for his mature knowledge, but also for his sterling character. Being of a poor family, he incurred a heavy debt in securing his foreign education, and this circumstance, in all probability, drove him to his studies with such dilligence, that he was awarded with the highest honor at the time of graduation.

Since his return, he has not been given an opportunity to make a full display of his talent and knowledge. He had a great mind to enter into the railway services, but could not succeed in securing a post in spite of his many trials. At first, much to his disgust, he had to teach Mathematics in a local college for the sake of his livelihood; but being a very rigid disciplinarian, he could not be expected to be popular with the imperious students, and was compelled to quit the school after two years' teaching. Later, he had no alternative but to do some odd jobs in a local commercial house so as to be able to get some money to support his growing family. Fortunately or unfortunately, his uncle took pity on him, and secured a political appointment for him last year. My friend first hesitated to accept the appointment, for he was fully aware that an engineer could not be turned out to be a successful magistrate, and that a man of his character and temperament was not fit to be an official at the present time. However, having no escape out of his financial predicament, he finally had to enter into the official world with the hope that this appointment might serve as a stepping stone to another one which would be more suitable to his qualifications.

Since he went away, we have scarcely communicated with each other, notwithstanding the fact that we are intimate friends. Last Sunday morning I was surprised at receiving a telephone call from him informing me of his return to Shanghai and asking me to call on him for a chat. I immediately went over to his house, and, to my great astonishment, found him quite different from his former self. He looked haggard and pale, and the deep furrows appearing on his otherwise smooth brow bespoke that he had not had an easy and happy time for the past year. The wearing of such a physiogromy coupled with his habitual taciturnity gave him an appearance at least ten years older than his actual age. Although jocular by nature, I was very much distressed at seeing his much changed appearance, and lost my eloquence in greeting the return of my old friend. We kept silence for some time as if we were two strangers, and finally he gave me the following tale.

Why the Magistrate Resigned

"T. S., I have resigned my post, or rather to say, I have been compelled to resign my post. When I received my appointment a year ago, I knew, as I had confided to you, that I was not qualified for being an official. Although poor, I have always been honest; and although ambitious, I have always despised the art of flattery. As a magistrate of....., I tried my best to put up a clean and honest government by doing away with all the corrupt and evil practices that prevailed in most of the city governments in China.

"But what is the result of my endeavor? My superiors did not appreciate my painstaking efforts, because I assumed an attitude of aloofness and did not know how to curry their favor. The gentry, the ruling class of the city, had no sympathy with my attempts at reforms and reformations, because they were determined to preserve their evil influences over city administration. And my subordinates refused to co-operate with me in my works, because the abolition of evil and corrupt practices would cut off the sources of their illegitimate gains. I was left all alone by myself without either the encouragement of my superiors, or the support of the gentry, or the assistance of my subordinates. I was looked upon as a fool, for I did not follow the ways of my predecessors and those of many other magistrates in utilizing the opportunity to enrich myself.

"In these circumstances, I found myself ill at ease in holding on my post. During the past twelve months, I passed through a successive struggle between my conscience and my desire to gain. Every day I was met with new temptations which were too attractive for a poor man like me to ignore altogether. I would have easily made a political fortune if I could only have forgotten my conscience. But alas! my conscience is too strong to permit me to surrender myself to temptations. In this long struggle, I lost my interest in work as I lost my appetite for food. As a consequence, my health became poorer, and my hair turned grayish. For the sake of my health and conscience, I found it imperative to quit this official post, so that I can now eat and sleep in peace without being constantly harassed by the fear that I might go astray at the impulse of the time.

"Yes, the magistracy of..... is a very profitable office. My predecessor made a fortune of $200,000 during his short tenure of two years. But truth to tell, instead of making any money, I lost about $500 for one year. The magistrate's salary was only $250 per month. Being the leading official of the city, I was frequently called upon to make contributions to various worthy causes and to entertain visiting officials. The salary I received was, therefore, not sufficient to cover my family and social expenses. My uncle, who had secured this appointment for me, must presume that I am quite wealthy now. I have not yet had the heart to disclose the true state of my affairs to him, lest my disclosure should break his heart.

"I am much poorer now than a year ago. Only a few of my friends can believe in my story. I may be indeed a big fool, inasmuch as I have let slip by a fine opportunity to make myself rich. I begin to doubt if I am fit to live in this world, where greediness rules over all other passions. But for my conscience, I may become a very successful official to be admired by my friends instead of being ridiculed as I am at present."

Difficult for an Official to Be Honest

My friend finished his tale without betraying the least sign of his emotion as he had begun it. I would not believe in what he told me, if I did not know his personality and character, and see with my own eyes the great change wrought upon his countenance. While admiring his sterling character, one can not help entertaining some suspicion as to the sanity of his mind, inasmuch as, in the eyes of the general public, it is only a mad man who would be so particular about his good conscience as to turn down a political fortune, whereas any other men in his place would be too glad to exploit the opportunity to their own advantage. Be that as it may, any one who has read my friend's tale can easily conclude that it is both difficult and foolish to be honest in the officialdom at the present time.

It is difficult to be honest, because the corrupt and evil practices which are the legacy of the Manchu regime have still taken such a deep root in the present officialdom, that the honest officials have had the difficulty in remaining honest in the midst of these unwholesome surroundings. Old-type mandarians were gone, but the modern officials taking their places have still copied their way of doing things. The honest men, who enter into the official world, will have either to forget their honesty and "follow the current," or to be kicked out of their offices as in the case of my friend.

It is also foolish to be honest, because when the pay is so small and irregular, the officials are bound to find their own sources from which they can draw their income several times greater than their nominal pay. Why should one bother about one's conscience, while all those surrounding him have long forgotten theirs? Why should not small officials seek their political fortune, while big warlords have committed a wholesale robbery of the public? My friend is right in saying that he is a big fool; and as such, he, of course, can not find his place in the present official world.

National Child Welfare Association Helps to Emancipate Slave Girls

The 90th executive committee of the National Child Welfare Association of China was held in the Chinese Bankers' Club, in Shanghai Sept. 12, when Dr. R. Y. Lo, first vice-president of the association, paid a high tribute to the late Miss Ting Shu-ching, General Secretary of the National Committee of the Y.W.C.A., who served as one of the most active members of the board since the inauguration of the association in 1928. Jabin Hsu, General Secretary, submitted to the committee a report on the recent activities of the association.

In dealing with the work of emancipation of slave girls in Shanghai, a thorough investigation is being conducted by the child protection department in co-operation with the Bureau of Public Safety. More than two thousand slave girls, who have been bought, sold and resold to do manual work for households, are now in Shanghai. Of these about three hundred have been registered with the Bureau of Public Safety.

Among the members present at the meeting were Dr. R. Y. Lo, Mrs. Milton J. Helmick, Ling Kong-hou, Dr. F. C. Yen, Mrs. Herman C. E. Liu, Mrs. W. S. New, S. U. Zau, H. C. Chen, Andrew V. Wu, L. D. Cio and Jabin Hsu, General Secretary, and Penan Ting, Secretary.

WILL MY HUSBAND EVER GET RID OF HIS NERVOUSNESS AND BE HIMSELF AGAIN, DOCTOR ?
ONLY WITH PROPER NERVE-NOURISHMENT. I ADVISE A DAILY DIET OF QUAKER OATS
BECAUSE...
HIS CASE IS TYPICAL OF DOZENS. RECENTLY A YOUNG MAN CAME TO ME. HE WAS A NERVOUS WRECK, COMPLETELY STARVED FOR A CERTAIN ELEMENT WE FIND IN QUAKER OATS.
FOR LACK OF THIS SAME PRECIOUS FOOD ELEMENT-VITAMIN B- HIS INTESTINAL TONE WAS POOR. HE SUFFERED THE USUAL BY-PRODUCTS OF CONSTIPATION.
I EXPLAINED HOW THE BODY CANNOT STORE VITAMIN B - IT MUST BE TAKEN IN DAILY. IN QUAKER OATS, NATURE GIVES GENEROUSLY OF THIS NERVE-NOURISHING VITAMIN.
TODAY WHEN I SEE HIM HE IS A MADE-OVER PERSON. BETTER APPETITE AND VITALITY. NERVOUS TROUBLE ALL GONE. CONSTIPATION CURED JUST BY GETTING A DAILY SUPPLY OF VITAMIN B IN QUAKER OATS
HE'S THANKFUL FOR THAT BIT OF ADVICE!

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Story of Hoard of Russian Gold at Port Arthur Gains Credence

Morindo Morishima, first secretary of the Japanese Embassy in Berlin, who is now in Tokyo on furlough, believes that somewhere in Port Arthur (Liaotung Penensula) something like Yen 50,000,000 worth of gold is buried underground. According to Mr. Morishima, some 30 years ago when the Russians had to evacuate Port Arthur, defeated by the Japanese in the Russo-Japanese War, they buried their gold reserve valued at 20,000,000 roubles at a certain spot. He says he heard it from a White Russian of Polish nationality, who called on him with a certificate of the Polish Consul. The White Russian told him that he was among the five Russian soldiers who buried the gold and he wanted the permission of the Japanese Government to dig the treasure. Mr. Morishima who was Consul-General at Harbin at that time (1933) laughed at it, but as the negotiations progressed, he came to sense that the story was not a fake. The profit of the discovery, if made at all, it was proposed should be made into a fund for the relief of the White Russians in Manchuria. Mr. Morishima consented to file an application with the Kwantung Bureau on condition that half of the gold, if discovered, by given to the National Treasury of Japan.

Pan Fu, Former China Premier, Dies at Peiping of Tuberculosis

Pan Fu, former Premier of China and retired since 1928, died of tuberculosis at Peiping Sept. 12 at the age of 66 following a prolonged illness. Mr. Pan had been constantly attended by both foreign and Chinese physicians. He is survived by his father, now 90 years old, and his 12 children. A native of Tsining, Shantung, Mr. Pan received his early education at Tsinan. He served the former Peking Government in various capacities in Kiangsi and Shantung, and was appointed as Vice-Minister of Finance in Peking in 1919. In 1921 the deceased was promoted to the post of Minister of Finance and concurrently as Chief of the Salt Administration. He was appointed Premier in 1927 during the days of the Military Government under the late Gen. Chang Tso-lin, warlord of the three Northeastern provinces.

The Eastern Suiyuan Situation—Kawagoe's Activities in the North

BY C. Y. W. MENG 孟昭沐

ACCORDING to current reports, the "tension" which was felt, but relaxed, in Eastern Suiyuan, has been renewed, as a result of the concentration of large numbers of "bandits" in Shangtu. According to another message, Manchukuo troops are being sent from Changpei to Shangtu. That the Eastern Suiyuan situation could not be considered as a purely local issue, but is another important development in the Far Eastern situation, which is bound to perturb not only Sino-Japanese, but also Russo-Japanese relations, goes without saying!

The Eastern Suiyuan Situation—the Background

With the occupation of Jehol, conclusion of the Tangku Agreement, signing of the "Ho-Umatsu Agreement," and establishment of the so-called "Yin Yu-keng Autonomous Government of Eastern Hopei," coupled with the formation of the "H.C.P.C." (Hopei-Chahar Political Council in Peiping), it is to be noted that there is a change of the policy as well as the course of action of the Japanese militarists and officials. Having achieved all these "wonders," the Japanese consider that the military phase of the Japanese aggression in China is now accomplished. The Japanese "Continental Policy" in Asia enters another phase, or its "second stage." What is next to be undertaken is not further territorial aggression in China, but rather, to state the situation briefly:

(1)—To consolidate themselves in the newly "acquired land," by making Manchukuo safe by putting more pro-Japanese Chinese leaders into power in North China, and by extending the power of the H.C.P.C.;

(2)—To go on with the "economic aggression" of China by exploiting the Chinese natural resources and industries in North China;

(3)—To prevent China and Russia from joining hands by tightening China's hand by the "Sino-Japanese Joint Red Pact;" and

(4)—To prepare for major warfare with Russia, which Japan believes to be inevitable in the very near future.

It is for the purpose of carrying out the "first two items" of the Japanese policy, that Kawagoe, the Japanese Ambassador to China has been pressing Nanking for the so-called "economic co-operation." It is for the purpose of carrying out the last two items" of the Japanese policy—which gives rise to the present "tension" in the Eastern Suiyuan. With such a background of the situation in mind, one will have no difficulty in having a true perspective of the whole situation in the Far East—its probable development in the near future.

The Japanese and Russian "Strategy" at Work

It is an open secret that Russia, unlike previously has effected heavy concentration of the "Red Army" in Eastern Asia. What are termed as heavy industry factories are nothing more than ammunition factories. Wnat are termed the pastoral lands could easily be turned into modern aviation fields.

Japan realizes well what is going on in Russia. According to the plans of the Tokyo General Staffs, the military centers in the Far East are not Vladivostok, Khabarovsk, Blagoveschensk, or the Amur region, but are Paotau in Suiyuan, Kalgan and Dolonor in Chahar, Hulan in Heilungkiang. To them, the decisive battle between Japan and Russia will not be fought at Vladivostok in the Amur region, but rather, in the Baikal Lake Region. In their opinion the most strategic move for the Japanese to make is to cut off the Trans-Siberian Railway, to isolate and paralyze the Red Army on the eastern end of the Railway, and to cut off communications. But in order to achieve this end, it is necessary for Japan to occupy and control Paotau, Kalgan, etc. The Japanese object is to march towards Barga, capital city of Outer Mongolia, as soon as war breaks out, with the occupation of Baikal Laka Region as their final objective. In other words, the Japanese strategy is an "enveloping movement."

But on the other hand, Russia realizes equally well what the Japanese are planning to do. The conclusion of the "Russo-Outer Mongolian Mutual Pact" on March 12, 1936, is undoubtedly a direct challenge to the Japanese strategic move toward Barga and the Baikal Lake Region. While it is the Japanese objective to reach Barga and the Baikal Lake Region, it is the Russian strategic move to occupy, as quickly as possible, North Chahar and Eastern Suiyuan, to destroy and paralyze all Japanese defensive works entirely by the joint Russo-Outer Mongolian Army, as soon as war breaks out!

Japan knows all about it. So at one time it was reported that Japan had demanded the construction of a railway from Paolou to Sinkiang (Chinese Turkestan), passing through the Provinces of Kansu, Ningsha, etc. This manifests clearly that the Japanese strategy is to "envelop Out Mongolia from all directions!" So the present tension on Eastern Suiyuan indicates nothing but that both Japan and Russia are preparing for major warfare in the future and that strategy on both sides is at work; and that the coming Russo-Japanese War, like its predecessor, will again be again fought, not on Japanese or Russian territory, but on the Chinese territory; this time, not in Manchuria, but principally in Chahar and Suiyuan!

Mr. Kawagoe and the "Tientsin Conference"

The holding of the meeting of the Japanese consuls in China on August 22, in Tientsin, under the chairmanship of Mr. Kawagoe, which was quickly followed by the holding of another meeting of the Japanese military and naval attaches in China, had also aggravated the situation. For, according to current reports, many resolutions of most alarming nature were decided at the meetings. It was reported that hereafter, in South China, the Japanese Embassy would be the center of activities, while in North China, the Japanese Garrison Forces in North China would be the center of activity, though both of them should collaborate with each other. While the "responsibility of extending the power in North China" falls on the Japanese Garrison Forces in North China, and the Japanese Embassy will co-operate, the task of "economic development of North China" will be undertaken by the Japanese Embassy, and the Japanese Garrison Forces in North China will co-operate. While one of the resolutions mentions that "it is not the time to abolish Yin Yu-keng's 'government'," the other provides that "inasmuch as the Central Government (Nanking Government) has settled the Kwangtung Problem, whereby its power as well as prestige is greatly increased, we (Japanese) should pay full attention to the situation" (*Shun Pao*, August 26). Another report (*Wah Tsz Yat Pao*, August 20) from Hongkong reported that out of many resolutions adopted at the meeting between Mr. Kawagoe and Mr. Matsumuro and other high Japanese officials in his residence in Chang Yuan, lasting for four hours, was one that "Peiping and Tientsin are to be annexed to Manchukuo."

Mr. Kawagoe and His "Activities" in the North

When the meeting in Tientsin was over, on his way to Shanghai, Mr. Kawagoe toured down to Shantung to see General Han Fu-chu, chairman of Shantung. It the course of conversation, Mr. Kawagoe was quoted to have asked General Han "his opinion towards North China and Shantung problems." According to another despatch (*Tsun Wan Yat Pao*, independent, Aug. 26, p. 1) "strong pressure had been brought by Mr. Kawagoe to bear upon General Han to separate from Nanking and to join the Hopei-Chahar Political Council". The despatch verified this report by referring to what Mr. Kawagoe was quoted to have said in an interview, namely that "Sino-Japanese co-operation is now actively in progress in North China, and that the time is now ripe for its fruition. Though Chinese opinion is divided regarding the exploitation of the Chinese natural resources in North China, Hopei-Chahar is already taking steps towards this direction, with the exception of Shantung. But it is my belief that after my trip to Tsinan (capital city of Shantung), we well soon see that Shantung and North China will collaborate with Japan to work for Sino-Japanese co-operation, to realize what the Japanese have hoped for in North China."

On the next day, the same paper reported that "When Mr. Kawagoe met General Han, he 'forced' the General to collaborate in the development of North China, adding that it is not necessary to wait for the instructions from Nanking, but that the Shantung chairman should take up the matter with the Japanese, pointing out that the 'theory of localism' (meaning to treat every Sino-Japanese problem as a local issue) is more beneficial." The same despatch further quoted Mr. Kawagoe as saying that "the project of economic development of North China is sure to be accepted by the Central Government, because to develop North China is the Japanese 'national policy'—which Japan must push through. Should the Central Government reject the demands, North China will be separated from the Central Government, thus it would only place the Central Government in a more difficult position." The same despatch reported that General Han, after hearing all this "immediately wired to General Chiang to make a report on Japanese 'imminent invasion of North China'!"

Some Fruits of Mr. Kawagoe's Activities

There are many reports on the activities of Mr. Kawagoe in North China during the past few days. Whether such activities are proper, or are entirely "out of place," we will leave the subject to our readers and the world to discuss and to comment. What we want to point out is that, so far, (up to September 13, 1936), we have not read any "statement" nor any "denial" from the Japanese consuls or officials regarding the current reports of Mr. Kawagoe's activities. On the other hand, various evidences tend to prove that what has been reported is quite true. Wang Keh-min, an old Anfu (pro-Japanese clique) leader, who, with the support of the Japanese militarists and

officials, was appointed chairman of the Economic Committee of the H.C.P.C., whose departure for the North was reported many times, (but was also postponed many times), has actually left for the North, though amidst bitter Chinese opposition. It is generally believed that Wang Keh-min is the man whom Japan has been looking for in the "economic development of North China."

Further, according to another despatch (*Tsun Wan Yat Pao*, Sept. 1) from Osaka, it was reported that "as a result of the activities of Mr. Kawagoe, the Japanese plan for the invasion of North China is almost decided upon." According to the opinion prevailing, the way for the readjustment of Sino-Japanese relations will be along the following lines:—

(1) Though China could not accord formal recognition to Manchukuo, China could not deny the *de facto* existence of Manchukuo.

(2) North China should be designated as a "Special District" to be independent from the control of the Central Government and to adopt the autonomous system of government, to realize the Sino-Japanese-Manchukuo political co-operation.

(3) Should China agree with the above principles, Japan would not interfere with General Chiang's administration of the Provinces, South of the Yellow River. If General Chiang could accord autonomy to North China, Japan would recognize General Chiang as the sole political authority in China today.

Another "Futile Negotiation"—What Next?

At any rate, Mr. Kawagoe is now in Nanking to enter into a series of negotiations with General Chang Chun, Minister of Foreign Affairs, not only on the "Chengtu Incident," but also on the readjustment of Sino-Japanese relations. But with such background of the situation and the "activities" of the Japanese officials in mind, we can easily see what are some of the Japanese "demands" to Nanking; and we can easily conclude that it will be only another "futile negotiation." It is the public opinion in China that so long as Japan does not abandon her "aggressive designs"—political or economic—in China it is not necessary to open any negotiations. But what is the next move, if the negotiations fail?

In this connection, it is of some interest to read another despatch from Peiping (*Tsun Wan Yat Pao*, Sept. 1) which reported that "taking advantage of the confused state of affairs in the South-West (meaning the Canton-Nanking "bickerings"), and the unsettled situation arising from the Chengti Incident, the Japanese have hastened the plan for the invasion of Suiyuan. During the past days, motor trucks loaded with ammunition have been going "west" on the Dolonor-Kalgan Highway. No foreigners are allowed to pass by. When sufficient ammunition and necessities are sent there the Japanese will order the Chinese bandits to start the offensive."

So, we predict, not with probability but with certainty, that when Japan fails in her "economic aggression" in China, she will again resort to "military aggression", such as the bombardments of Suiyuan, not by the Chinese "bandits" nor by the "Chinese-Manchukuo army," but by Japanese regular armies which are already concentracted in Chahar ready to move forward, at a moment's notice. But, as stated before, the Japanese invasion of Saiyuan will necessarily come into conflict with the Russian "strategy" of preventing the Japanese marching forward to Barga and the Baikal Lake Region. Then what is the next development? Another, one of the most disastrous "storms" that ever occurred, is coming to the Far East!

Nanking, September 13, 1936.

Standard and Texas Oil Companies Merge Far Eastern Marketing Facilities

Telegrams received in Tokyo and Shanghai end of last week from the United States brought the news of the formation of the California-Texas Oil Company, Ltd., which is a combination of the market facilities of the Texas Corporation, Ltd., and the Standard Oil Company of California. The operations of the new company will cover the entire Far East, including Japan, Manchuria, China, Australia, and New Zealand, in addition to East Africa and South Arfica. The new California-Texas Oil Company, of which the local Texas organization is a part, has as its Chairman of the Board of Directors, James A. Moffett, a Vice-President of the Standard of California, who was a Shanghai visitor about a year ago. J. V. Murray, who is well known to local businessmen in his former capacity as the General Manager of the Texas Company (China) Ltd. from 1924 to 1932, is also a member of the board of the new firm.

Since the formation of the new firm, the Texas Company (China), Ltd., a subsidiary organization of the Texas concern in the United States, has been turned over, as one of the marketing units, to the California-Texas.

The new company will draw oil supplies from a refinery being built on Bahrein Island, located in the Persian Gulf.

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General Yang Yung-tai Brings Improvements to Hupeh

BY S. Y. CHI (李世英)

BEING a gifted and experienced statesman and scholar possessed of a vast store of political knowledge and common sense, and having acquired a decidedly strong calibre of administrative power and ability, General Yang Yung-tai, Chairman of the Hupeh Provincial Government, who was made Governor of this Province on the last New Year Day, in succession to Gen. Chang Chun, now Minister of Foreign Affairs, has, since his assumption of office, concentrated his utmost attention on the question of how to bring about a speedy restoration of peace and prosperity, and how to promote the general welfare of the people, in the whole province of Hupeh—which had been pauperized by long years of incessant inflictions of banditry and natural calamities which badly disrupted the rural economic structure,—and, after having carefully proved the situation throughout the province, has drawn up a new program which will serve the above-stated purposes for the 25th Fiscal Year (July, 1936-June, 1937) and which, under the supervision of the new Governor, will be put into execution in gradual succession. The program, issued in a brochure containing five chapters, is summarized as follows:

Gen. Yang Yung-tai

1.—*Civil Affairs.*—Two things are emphasized, namely, the training and preparation of the district government administrative executives and personnel and the reorganization of river police for the maintenance of safe communication on the Hsiang and Fan Rivers.

The Hsiang River is the artery of river communication in northwestern Hupeh through which commodities from Shensi, Honan, Szechuen, etc. reach Hankow for re-shipment to other ports. The provision of safe transportation is of great importance for the healthy growth of business. Hence, an efficient river police will be reorganized to ensure safe communication on this River with an initial fund of nearly $100,000.

2.—*Financial Affairs.*—All efforts will be centered around the readjustment of the land-tax by means of which not only the receipts will be increased to replace the subsidies to the provincial coffers from the Ministry of Finance (which will be gradually withdrawn), but the unreasonable discrepancy in the appropriation or imposition of land-tax arising from bad practices and mal-admistration will also be done away with. That is to say, the provincial finance hereafter must be made independent and self-supporting instead of being always dependent on the subsidiary funds from the Central Government, for all government administrations will be smoothly carried out if the readjustment of the provincial finance is accomplished.

3.—*Education.*—Commencing from the next term, strict measures will be taken to examine the qualifications of the teachers in all the secondary schools as well as the normal schools and new rules introduced to restrict the teachers from holding more than one job. Henceforth, the employment of teachers will be based on the professional system rather than the popular hour system that gives the teachers a chance to teach in more than one institution. Under the present system their attention is divided and their work inefficient. So this reform must be carried out at all costs in order to improve the downward tendency of the educational standard of the schools in Hupeh, despite some inconveniences on the part of the "hour-selling" teachers. A village government administrator's training institute is to be established for the education and training of a competent staff for the lower strata of the government administrative machinery. These men after graduation will be sent out to lead the political, educational as well as social welfare administrations in the villages or "hsiangs." A summer school is to be opened this summer for the teachers of the secondary schools and normal schools. As a step to promote physical culture in Wuhan, the Provincial Public Physical Ground will be improved with better equipment and accommodation for the use of the entire populace of these cities.

4.—*Provincial Reconstructions.*—Steps are being taken to finish all the uncompleted highways within the province and to effect the completion of the connections of the inter-provincial roads between Hupeh and its surrounding provinces, Hunan, Kiangsi, Anhwei, Honan, Szechuen, etc.

The second thing of greater importance in provincial reconstruction is the carrying out of the river conservancy projects—which will be done in cooperation with the River Conservancy Office of the Central Government.

5.—*Maintenance of Peace and Order in the Province.*—Beginning from July, the Pao An Tuan has been placed under vigilant training by turns at the provincial capital, Wuchang, say, three Tuans at a time for a certain period, within which all the peace preservation forces scattered about throughout the province will be given an equal chance to receive rigid training, which will improve their ability and efficiency in local defense against bandits and in maintaining peace throughout the province.

6.—*Wuchang Modernization.*—Regarding the modernization of Wuchang, the Governor stated that a number of main thoroughfares in the city will be finished before the National Holiday, Oct. 10, as fixed in the city-reconstruction plan for the first period. These roads include the Chung Shan Road, Chung Cheng Road, Lin Ying Road, and others named after the great men of the country. These roads will form a network of modern boulevards which will afford convenient and speedy communication in the city. The other problems regarding public utilities are also being given serious consideration. The supply of electric light and power is also being improved.

The ferry will be improved to facilitate communication and transportation between Hankow and Wuchang, which are separated by the Yangtze. Another fleet of steel-made launches, sufficiently-large to carry several motor cars and with ample space for baggage and furniture, will soon be constructed to provide the public with safer and speedier transportation, under whatever weather conditions. The ferry jetty in front of the Hankow Customs House will be removed down to a point where there is a convenient space for anchor.

Governor Yang appealed for closer cooperation, practical suggestions and support from all persons within and without the provincial government and the members of the Party.

Story of Alleged Bayonetting of Chinese School Girl Arouses Japanese Ire

A news story and photo published by the *Shanghai Evening Post* Sept. 10 relating that Miss Wu Feng-ling, an 18-year-old Chinese school girl, claimed that she had been "bayonetted" by a member of the Japanese Social Naval Landing Party two days earlier raised the ire of the local Japanese community and press. The story as related by the writer in the *Post* was that while Miss Wu was returning from her studies at the Chung Teh Girls' School on East Recreation Club Road, two truckloads of Japanese naval men suddenly stopped. A group of them surrounded her. One of them, tried to snatch her school bag with the apparent intent of looking over the text-books to see if they contained any anti-Japanese lessons. The frightened girl hesitated and the bluejacket produced his bayonet and stabbed her in her left arm, causing two painful but not serious flesh wounds. Finally the girl yielded. The bluejackets gathered round and looked over the books, apparently finding nothing offending their national pride. One of them, however, took exception to the arithmetic book which, like those in English, had answers for all the exercises at the back of the book. He tore the answer section from the book and threw it into the street. As the girl stooped to pick up the books and put them back into the bag, the bluejacket tore her silk gown with his bayonet. The bluejackets left the frightened girl and resumed their motor-ride. The girl rushed home with her arm profusely bleeding. She was later treated by Dr. Guy Hugh Chan.

Allegations of Miss Wu were termed "a malicious libel" by a Japanese naval spokesman, *Domei* reported. "A thorough investigation, conducted following the publication of the charge, has shown that there were no marines proceeding on Kiangwan Road in trucks at the hour at which the attack is alleged to have taken place," Lieut.-Commander Matao Okino, assistant naval attache, told the Japanese press. "The inquiry into the allegations of Miss Wu was carried out on our own initiative since no official or private complaint has been received by us so far." A careful record of all movements of armed men and vehicles is kept by the Landing Party, Lieut.-Commander Okino said. Close investigation of such documents and a questioning of the officer of the day on duty Tuesday showed that no armed force in trucks had been sent on Kiangwan Road at the time Miss Wu said she was on her way home from school.

Miss Wu's sister, who is employed by Dr. Benjamin K. Wong, a dentist with offices at 255 Peking Road, took her sister to her employer, who in turn sent the injured girl to Dr. Chan. Commenting on Miss Wu's statements, Japanese naval officers remarked that they could "not believe" that marines would stop a truck and surround a school girl without reason.

Ministry of Finance Spokesman Discusses Income Tax as It Affects Foreigners

Reports that the British and American Embassies have informed the Chinese Government that they will persuade their nationals to conform with China's income tax law and pay the taxes are untrue, according to a *Reuter* message from Peiping Sept. 2. China's note on the subject, it was learned, it still under consideration by Whitehall and the State Department.

Questions regarding the various phases of the Income Tax which is to be enforced on Oct. 1, including those affecting foreigners claiming the privileges of extraterritoriality, were answered by a spokesman of the Ministry of Finance in an interview with a representative of the *Central News Agency* Sept. 12. "The Income Tax," he said, "is the fairest of all taxes. A farmer pays tax on his farm regardless of the fact whether he reaps a good crop during the year. But one pays the Income Tax to the state on a different basis, that of what he actually receives as income. It is fairer and more equitable than any other form of taxation." The spokesman further explained that the principle underlying the enforcement of the new tax was to make every man pay to the state what he could but not so much as to make it a burden.

"Every man is put on his honor to declare what his income is," it was emphasized. "In the case of employees of business houses and other institutions, it can be arranged so that the amount due from each will be deducted from the pay-roll every month and the sum total is transmitted to the Government."

Asked about the position of foreigners who claim extraterritorial rights via-a-vis the new tax, the spokesman replied: "There is no justifiable ground for the contention that under extrality foreigners are exempted from taxes. It should be remembered that extrality merely provides a judicial procedure. All that extrality means is that a foreigner in China is amenable to the law of his own country instead of the law of China. It has nothing to do with taxes."

The spokesman remarked that all along foreigners have paid taxes required by the Government, such as the Customs duties, the consolidated taxes and the land tax. "There is no reason to make the income tax an exception," the spokesman observed. "There are always individuals who would want to evade the tax by taking shelter under extrality but one feels sure that the responsible representatives of foreign Governments will not contenance such views." Moreover, he added, it is only a matter of fair-play that foreigners in China should bear their part of responsibility in the expenditures of the state. As they live in China, trade in China, and enjoy the protection and facilities which the Government provides, he further said, it is only right that they should also have a share in meeting such expenses. If the Government is to develop communications and to continue to improve the living conditions and facilities for business and trade," the spokesman concluded, "it must be provided with the necessary funds. No fair-minded people will want to shun this responsibility."

Income Tax Collectors Undergo Rigid Training

Sixty candidates who recently passed the competitive examinations for posts of Income Tax collectors are now undergoing rigid training under P. F. Kao, director of the Central Direct Taxation Office, at Nanking.

"China Not to Protect Foreigners If Latter Refuse to Pay Income Tax"

"From a legal standpoint, all foreigners residing in China should pay income tax which will be effective as from Oct. 1," according to Shen Li-jen, prominent Chinese accountant, in an interview with Chinese newspapermen in Shanghai Sept. 13. Mr. Shen added that the National Government may shift its responsibility to extend protection to the foreign residents, should they refuse to pay the income tax.

Old Form of Tax to Be Abolished

In view of the fact that collection of Income Tax (*So-Te Shui*) on the salaries of public functionaries will be enforced on Oct. 1, the Ministry of Finance has requested the Secretariat of Central Party Headquarters to discontinue collection of the Income Levy (*So-Te Chuen*) after the end of this month. The collectors of the Income Levy are to be transferred to the Ministry of Finance for collection of the Income Tax. The Secretariat of Central Party Headquarters is also requested to compile a list of arrears due on the Income Levy, so that they may be collected by the Ministry.

"Ta Kung Pao" Says America and Britain Approve Collection of Income Tax

The *Ta Kung Pao* Sept. 11 stated that the American and British representatives in China have notified the Chinese Government that their foreign residents in China are willing to extend every assistance to the collection of income tax, which will be put into effect as from October 1.

Dollar Liner "President Hoover" Held Up at San Francisco by Labor Dispute

The Dollar liner *President Hoover* was held up at San Francisco for a week as the result of labor troubles, finally sailing at noon of Sept. 10 for Japan and China. The Dollar Line earlier had paid off the old crew and signed on a crew from the International Seamen's Union.

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Smuggling in Tientsin Again Ass umes Serious Proportions

H. D. Hilliard, Commissioner of Customs at Tientsin in a report to Sir Frederick Maze, the Inspector-General, Sept. 13 stated that the smuggling situation in Tientsin has again assumed serious proportions. Goods of various descriptions, the report asserted, are pouring into the Tientsin East Station from Luanchow and Shanhaikwan. Mr. Hilliard said he was waiting for fresh instructions to deal with the situation.

A *Kuo Min* message from Nanking Sept. 13 stated that in order to ascertain the actual situation regarding the establishment of the new Inspectorate General (*Chi-Cha Tsung-Chu*) by the Hopei-Chahar Political Affairs Committee, the Ministry of Finance has instructed Sir Frederick Maze, Inspector-General of Customs, to despatch a deputy to Peiping to conduct a thorough investigation.

With their existing purchasing power and numerical strength the people in Hopei and Chahar will not be able to consume, within three years, the amount of smuggled goods that has been accumulated in the two northern provinces—according to an estimate considered as conservative, advanced by financial circles in Nanking, who attempted to show the fallacy of the Hopei and Chahar authorities' argument to the effect that their Inspectorate-General was designed to clean up the illicit commodities in North China by subjecting them to a "Consumption Tax," which is equivalent to one-eighth of the regular Chinese Customs duties.

A *Reuter* message from Peiping Sept. 10 stated that the director of the new Consumption Tax Inspectorate-General of the Hopei and Chahar Political Council, Wang Hung-en, has promised that smuggled goods paying the tax shall have free access to markets throughout Hopei and Chahar, but reports from Tientsin quote Customs officials as saying that the preventive service of the National Government will not be affected by the operations of the new Inspectorate-General. Already, according to Chinese sources, representatives of twenty firms trading in smuggled goods have registered with the Inspectorate-General as dealers in such goods. Among the merchandise stored in Tientsin which it is expected will be released on payment of the new tax is a cargo of 200,000 bags of sugar.

Peiping-Liaoning Railway Refuses to Stop Transportation of Artificial Silk

Declaring that the transportation of artificial silk is the main freight transported by the railway line, affording a revenue of no less than $70,000 every day, the Peiping-Liaoning Railway Administration, in a reply to the Ministry of Finance Sept. 11 stated that it is impossible for the line to refuse the transportation of artificial silk.

North China Now Has Two Customs Services, "Reuter" Message Points Out

A *Reuter* message from Peiping Sept. 10 stated that with the establishment of the new "Consumption Tax Inspectorate-General" of the Hopei and Chahar Political Council at Tientsin, North China now has virtually two Customs services—one responsible to the local authorities and the other to the National Government. Already, according to reliable Chinese sources, representatives of 20 firms trading in smuggled goods have registered with the "Inspectorate-General" as dealers in such goods. Among the merchandise stored in Tientsin which is expected to be released on payment of the new tax are 200,000 bags of sugar.

Will the Customs authorities be able to check the movement of these and other goods? This is the question which everybody is asking. This will be the first practical test of the effectiveness of the attitude reported from Nanking to have been adopted by the Ministry of Finance, namely, that it will not recognize the new tax, *Reuter's* correspondent commented.

Peiping Branch of Inspectorate-General for Hopei-Chahar to Be Opened

Preparations are reportedly being made by the newly established Hopei-Chahar Inspectorate-General at Tientsin to open a branch office in Peiping. Chu Jui-lin, counsellor of the Peiping Municipal Government, has been slated as director of the local bureau.

General Sung Says New Collection Organ Is to Meet Merchants' Wishes

Interviewed by press representative upon his arrival in Tientsin, Gen. Sung Cheh-yuan, Chairman of the Hopei and Chahar Political Council, declared that establishment of an Inspectorate-General for the collection of levies in Hopei and Chahar does not infringe upon the integrity of the Customs. The formation of the new organ, he said, was decided upon in response to the demand of merchants for the inspection of the present stock of smuggled goods in order to relieve their present business plight.

Dr. H. H. Kung Points Out That New Inspectorate Impedes Integrity of China's Customs

That the existence of the "Inspectorate-General" of the Hopei and Chahar Political Council will impede the integrity of China's customs administration was pointed out by Dr. H. H. Kung, Minister of Finance, in a telegram addressed to the responsible authorities of the Council Sept. 10. The telegram was stated to be a reply to an earlier report sent to the Ministry of Finance by the Hopei and Chahar Political Council. In the report the Hopei and Chahar authorities asserted that the establishment of the new office was designed to help the customs authorities in North China in suppressing smuggling. However, they failed to touch upon the much reported collection of the consumption tax on smuggled goods. *Central News* understands that Dr. Kung has instructed the high customs authorities to devise appropriate measures to cope with the new situation in the North.

Nanking Requested by Industrial Union to Abolish "Chief Inspectorate" in North

In a telegram addressed to the Executive Yuan and Ministry of Finance Sept. 9, the China National Industrial Union voiced its strong objection to the existence of the newly created Chief Inspectorate of the Hopei and Chahar Political Council to levy a consumption tax on smuggled goods and requested that immediate steps be taken to abolish the illegal organ. The message further urged that those officials who are responsible for the formation of the illegimate organ should be punished.

New Consumption Tax Not Recognized by Nanking

A *Reuter* message from Nanking Sept. 9 stated that the Ministry of Finance, refuses to recognize the new "consumption tax" to be levied by the Hopei and Chahar Political Council on goods entering the two provinces from the "autonomous" State of East Hopei. In other words, imports which pay the "consumption tax" —which amounts to only one-eighth of the national tariff—but evade payment of the regular Customs duty under the national tariff will still be liable to seizure as contraband.

Prevention of Smuggling in Fukien Results in Increased Customs Revenue

The measures taken by the Customs authorities in the prevention of smuggling along the Fukien coast have resulted in an increase of Customs revenues and a decline in smuggling. In August, the importy duty collected by the Amoy Customs amounted to $934,813, a record figure for the past eight months.

Customs Barrier Established Along Peiping-Tientsin Highway

The Tientsin Customs House has established a Customs barrier at Paimiaochun along the Peiping-Tientsin highway.

Hsu Mo Discusses Chinese Judicial System Before Rotary Club

Hsu Mo, Political Vice Minister of Foreign Affairs, and immediate past president of the Nanking Rotary Club, made an address on the Chinese Judicial System before the Shanghai Rotary Club Sept. 10.

He said Chinese law, on the whole, is progressive, modern, up-to-date, workable and supported by the people; there are imperfections, but they canno eclipse the many years of painstaking work and effort; Chinese law had developed on different lines to that of Occidental law. In olden days, it was based on general rules of conduct and not on the protection of individual rights. It rested on ethical grounds and moral standards. Mr. Hsu then gave some examples of the workings of Chinese law in olden days. The first one concerned the serving of sentences by proxy. If an old man was sentenced, say, to life imprisonment, his son or daughter might ask to be permitted to serve the sentence for him. He or she was then acclaimed a dutiful child, acting in a spirit of filial piety, one of the first virtues of human conduct. To-day, a father might well be grateful if his son behaved himself during his father's imprisonment and did not squander away his parent's money. With regard to the mingling of morality and the law, Mr. Hsu mentioned the fact that under the old law sterility could be cited as grounds for divorce. A husband might divorce his wife on such grounds, but a wife could rarely do so. This was a rather unfair state of affairs, as in the case of such a divorce the court never took the trouble to ascertain if the trouble lay in the husband and not the wife; marriage made it a wife's duty to bear children. Turning to the present day, Chinese law was now certainly different from what it was during the old Imperial regime. The changes were brought about not by artificial means, but of necessity, and as a result of changes in the customs of society and the philosophy of life. Many believed that China had made her judicial reforms merely in an attempt to abolish extraterritoriality; he was of the firm opinion these changes would have come into being even if extraterritorialty had not existed, being found necessary as a result of contact with the West, the mingling of Chinese and Western civilization, the acquisition of Western political thought, the adoption of modern methods of determining right and wrong, and in the administration of justice. Ethical rules of conduct were not sufficient for a more complicated society, M . Hsu said.

Kwangtung's Finances Being Put on Sound Basis by T. L. Soong

The financial position of Kwangtung is now fundamentally sound as a result of plans carried out for readjusting the taxation and currency systems of the province, T. L. Soong, the Finance Commissioner, told *Reuter* in an interview in Canton Sept. 12. The Finance Department, he said, was carrying out the financial rehabilitation of the province in accordance with the program already announced.

Mr. Soong has been tackling the various difficult problems confronting him with great patience and vigor, and his untiring efforts are bearing fruit. *Reuter's* correspondent said the Provincial Department of Finance was buzzing with activity, financial experts and advisors working hard on the task of working out a practical scheme for putting the local currency on the national standard and determining which taxes really belong to the "miscellaneous and exorbitant" category and should be abolished.

Owing to pressure of duties in Nanking and Shanghai, Dr. H. H. Kung, Vice-President of the Executive Yuan and Minister of Finance, has decided to cancel his proposed visit to Canton. It was announced also that T. V. Soong, Member of the Standing Committee of the National Economic Council and Chairman of the Board of Directors of the Bank of China, is unable to leave for Canton at the present as he originally planned. Mr. Soong, however, expects to make his contemplated trip the coming spring.

T. L. Soong, Special Commissioner of Finance and concurrently Provincial Commissioner of Finance for Kwangtung, in a petition to the Ministry of Finance Sept. 11 recommended that a branch of the Central Bank of China be established at Swatow.

$3,000,000 Worth of Land Bonds to Be Issued by Kwangsi

The Legislative Yuan has adopted a proposal of the Kwangsi Provincial Government to issue $3,000,000 worth of bonds for land rehabilitation. According to the regulations governing the issue, the bonds will bear interest at the rate of six per cent per annum and will be redeemed six years hence. The bonds will be issued on October 1.

Kwangtung to Borrow Another $2,000,000

For the rehabilitation of Kwangtung finance, T. L. Soong, special financial commissioner of Kwangtung and concurrently commissioner of finance for Kwangtung, is negotiating for another loan of $2,000,000 from the Bank of China, Bank of Communications and six other Shanghai banks. The wine, tobacco, and stamp revenues of Kwangtung will be pledged as security for the loan.

Tientsin to Issue Bonds for $1,000,000

The Tientsin city government has decided to carry out its plan to issue bonds to the amount of $1,000,000. In view of the difficult financial condition of the city and the presence of large numbers of poverty-stricken people, the money will be used for the building of a sewerage system and roads by the poor people as a form of relief.

Szechwan Has $9,000,000 Deficit This Year

The province of Szechwan has a deficit of $9,000,000 for the fiscal year ended June 30, 1936, according to figures published at Chungking Sept. 8. Total revenue of the province amounted to $62,801,869 while expenditures totalled $72,237,813. In order to balance the provincial budget, Gen. Chiang Kai-shek has ordered the appropriation of $5,000,000 from the Central Treasury and an advance of a further $4,000,000 from the military expenses tax.

$300,000 Appropriated for Credit Loans in Kweiyang

With a view to relieving the famine-stricken peasants in Western Kweichow, the Generalissimo's Provisional Headquarters recently appropriated a sum of $300,000 for the extension of rural credit loans.

Ninghsia Provincial Budget Approved Despite High Military Appropriations

After a protracted discussion the Legislative Yuan Sept. 11 approved the 24th fiscal year general budgetary estimates of Ninghsia Province. The Finance Committee pointed out that military appropriations in that province were too high. Of the total expenditures of that province for the 24th fiscal year, which were set at $3,600,000, it was pointed out, no less than $1,920,000 were spent for military purposes.

Finance Ministry Plans to Open Village Banks

For the assisting of the farmers financially, the Ministry of Finance has drawn up plans for the organization of village banks. According to the preliminary plan, these village banks will work closely with the Central Bank of China and will have a total capital of $6,000,000 to be appropriated in one sum by the Ministry of Finance.

Cantonese Appeal for Repeal of Special Tax on Sugar

An appeal for the abolition of the Special Tax on Sugar, imposed during the Chen Chi-tang regime, has been made by the Canton City Chamber of Commerce to the Kwangtung Provincial Department of Reconstruction.

Big China Silver Shipment Reaches United States

Silver to a total value of $10,263,000 was imported by the United States during the week ended September 4 compared with $1,815,000 during the previous week. China supplied $8,100,000 of the total.

The Red Army That Calls You "General."

You'll need a microscope to see these soldiers of yours. They are so small that thirty thousand of them side by side only measure one inch. Yet there are millions of them serving you.

These soldiers—known to medical science as red corpuscles—give your blood its red colour. They carry haemoglobin (iron nutriment) to every nerve, fibre and tissue of your body. If these little red corpuscles become too few, or do not carry enough haemoglobin—look out for trouble. For it is the weakening of this army that is a danger signal of health. Persons who are rundown, anaemic, nervous, easily tired, lack vitality and strength, are generally those whose red corpuscles and haemoglobin (iron nutriment) are below normal.

There is, fortunately, a treatment that soon builds up both red corpuscles and iron nutriment, and by actual test of blood under the microscope this remedy proved its blood-building worth.

The test was applied to a group of run-down people and the blood of each one was found to be decidedly below normal. The competent authority who supervised the tests instructed each person to take Dr. Williams' Pink Pills—called pink because they have a pink sugar coating—for 30 days, and then return for another blood test!

In that short period Dr. Williams' fine old remedy infallibly demonstrated what it can do for run-down, anaemic people. The gains made in health and strength were remarkable. The people looked and felt much better, and the microscope showed how their red corpuscles had been increased and their iron nutriment, too!

These tests form a reliable guide for you if you are run-down. Take Dr. Williams' Pink Pills. They are obtainable of all chemists. The shortages of your blood will be made up, and strength, vitality and vigour will return.

CHINESE OPINIONS ON CURRENT EVENTS presents a comprehensive translation of important articles appearing in leading Chinese periodicals, assisting the English-reading public in reaching a better understanding of Chinese opinion on issues of national importance.

It also gives a weekly review of important events in China and editorial comments.

Sample copy sent on request. Subscription rates: Mex. $10 a month, Mex. $28 for three months, or Mex. $95 for twelve months.

CHINESE OPINIONS ON CURRENT EVENTS

(Translated from Chinese Periodicals)

Proprietor: Gene L. Chiao Editor: Fang Fu-an

504 Avenue du Roi Albert, Shanghai, China

Recent Appointments and Movements in Chinese Official Circles

Lieut.-Gen. Li Yang-ching has been appointed Bandit-suppression Commander for the Fukien-Chekiang-Kiangsi Border.

Chiang Ting-fu, new Chinese Ambassador to Soviet Russia, is scheduled to leave for Moscow on Oct. 24 aboard the steamer *Sever*.

Peng Kuo-chun, the newly appointed Special Party Affairs Commissioner for the Hupeh Provincial Party Headquarters, was sworn into office Sept. 7.

The Executive Yuan Sept. 8 appointed Chen Tuan to the post of Finance Commissioner for Kansu to succeed Chu Ching-yu, who has resigned.

The Canton Bureau of the Overseas Affairs Commission of the Central Government was formally inaugurated in Canton Sept. 11 with Hsieh Tso-min as Bureau Director.

Lieut.-General Huang Kwang-jui and Major-General Chiang Chien -jen, Principal and Vice-Principal of the Central Flying School at Hangchow, were sworn into office Sept. 2.

Tai Chi-tao, President of the Examination Yuan and China's official representative to the recent World Olympiad at Berlin, arrived at Venice on Sept. 8 from Vienna.

Yu Chen-yung was appointed Director of the Department of Animal Husbandry and Fishery of the Ministry of Industry and concurrently Director of the Central Cattle Ranch, Sept. 13.

Tsai Ping-fan was appointed Sept. 9 a member of the Supervisory Committee of the Directorate General of Postal Remittance & Savings Banks in succession to Ling Ching-yu, who has retired.

Gen. Chang Chih-chung, Mayor of Tientsin Sept. 11 denied current reports that he would soon be appointed Governor of Hopei to succeed Gen. Sung Cheh-yuan, who is holding the post concurrently.

By an order of the Ministry of Finance Sept. 4, Liu Yung-kai was appointed Director of the Saltpeter and Sulphur Bureau for Kwangtung. Mr. Liu was formerly a secretary in the Executive Yuan.

Wellington Koo, Quo Tai-chi, and Wunzs King have been specially appointed delegates to the 17th Session of the League of Nations Assembly, according to a mandate issued in Nanking Sept. 4.

The condition of General Huang Fu, former Minister of Interior, who has been suffering from liver trouble, is stated to be considerably improved. General Huang is at the Country Hospital.

Li Tung-wen has been appointed acting Director of the Peiping Bureau of Printing and Engraving (of the Ministry of Finance), in succession to Li Han-hua, who has been transferred as Salt Commissioner for the Changlu district.

Gen. Ku Chu-tung (Chairman of the Kweichow Provincial Government) has been specially appointed Director of the Examination Affairs Bureau for the Examination for District Magistrates in Kweichow province.

The Central Political Council Sept. 7 appointed four new members to the Legislative Yuan. They are D. T. H. Li, retired president of Fu Tan University, Shanghai, Ma Yu-hsiang, Lin Keng-po and Ai Sha, Sinkiang leader.

Chang Chih-han, member of the Kweichow Provincial Government Committee and concurrently Provincial Commissioner of Education for Kweichow, and Ho Chi-wu, member of the Committee, were inducted into office Sept. 7.

Pan Kung-chan, Director of the Shanghai Bureaus of Education and Social Welfare, was appointed the General Secretary of the local New Life Movement Association at a meeting of the executives of the Association held in Shanghai Sept. 5.

In the presence of a gathering of over 800 government officials, guests and newspaper representatives from North China provinces, Kung Hsiang-yung formally assumed his post as chairman of the Yellow River Conservancy Commission at Kaifeng Sept. 7.

General Yu Han-mou has been appointed concurrently member of the School Affairs Committee of the Central Military Academy. General Yu is Pacification Commissioner for Kwangtung and concurrently Commander-in-Chief of the 4th Route Army.

Chen Li-fu, chairman of the organization bureau of the Kuomintang and leader of Gen. Chiang Kai-shek's Blue Shirt organization, is to be given the concurrent post of chancellor of Chungshan University in Canton, according to well-informed Chinese circles.

The following Mandates were issued by the National Government Sept. 12: Chang Fa-kuei, Lieut.-General of the Land Forces and is specially granted the brevet rank of full General (General Chang was formerly Commander of the 4th Army, the famous "Ironsides"); Lieut.-General Yu Han-mou is granted the brevet rank of full General (General Yu is Pacification Commissioner for Kwangtung); Major-Generals Chang Ta and Huang Yen-chen, promoted Lieutenant-Generals; Lieut.-General Tien Sung-jao appointed member of the Military Advisory Council.

Kao Ling-po, Secretary of the National Government, has been appointed Consul-General for Singapore by the Ministry of Foreign Affairs to succeed Dr. Philip Tyau, who has been recently appointed Commissioner of Foreign Affairs for Kwangtung and Kwangsi.

P. K. C. Tyau, having been transferred to serve as Special Commissioner of Foreign Affairs for the Kwangtung-Kwangsi Area, the Ministry of Foreign Affairs has appointed Kao Ling-po, a secretary of the National Government, to succeed Mr. Tyau as Consul-General at Singapore.

Dr. Wen Yu-ching, Director of the Telegraph Department of the Ministry of Communications, returned to Nanking from Canton Sept. 10. Concrete measures regarding the readjustment of telegraph affairs in Kwangtung have been prepared by Dr. Wen for approval of the Ministry.

The Ministry of Foreign Affairs announced Sept. 2 the appointment of Hsu Sung-su and Yang Ying-pu, Head of the Economic Research Department of the National Commercial Bank, as expert members of the Office of the Plenipotentiary Delegates to the League of Nations Assembly at Geneva.

By an order of the Hopei-Charhar Political Affairs Committee Sept. 4, Ho Sui, Director of the Hopei Provincial Telegraph Administration, has been transferred to serve as Acting Director of the Telegraph Administration for Jehol, Charhar, Suiyuan and Mongolia. Wang Ke-yung, the incumbent Director, will exchange posts with Ho Sui.

Tang Hai-an (H. O. Tong), who was appointed Salt Commissioner for the Liang-Kwang (Kwangtung and Kwangsi) area when the Chen Chen Chi-tang regime was ousted in July, tendered his resignation on account of ill health. Tang Husan, District Inspector of the Kwangtung District Inspectorate, is being appointed his successor.

Mandates were issued by the National Government Sept 5 in connection with the changes in the membership of the Legislative Yuan:—Chiao I-tang, Chen Chao-ying, Tao Li-chien and Ko Ting-yuan, members of the Legislative Yuan, having been appointed to other posts, and Chen Pi-chun (Madame Wang Chiang-wei), having tendered her resignation, were relieved of their respective duties. Mr. Chiao has become President of the Supreme Court; Mr. Chen, Control Yuan Commissioner for the Fukien-Chekiang Area; Mr. Tao, Political Vice-Minister of Interior; and Mr. Ko member and Secretary-General of the Hopei-Charhar Political Affairs Committee.

The following appointments to the Central Police Officers' Academy were announced by the Ministry of Interior, Sept. 13:—Wang Yang-pin, Acting Director of the Education Affairs Bureau; Li Shih-chen, Dean of the Academy, to be concurrently Director of the Training Bureau; Ma Nai-yuan, Acting Proctor; Yang Chun-chi, Acting Commander of the Police Officers' Corps; Cheng Tsung-chieh, Acting Director of the Compilation and Translation Office; Wang Tai-hsing, Acting Director of the Office for the Supervision of Graduates of the Academy; Chen Mien, Hu Tsun-chung, Yang Jui-lin and Chang Yung-chu, Acting Instructors.

Mandates issued by the National Government Sept. 12 relieved Yang Chao-keng, Chief Superintendent for Election of Delegates from Charhar province to the National People's Congress, of his duties; Lieu Ju-ming (Chairman of the Charhar Provincial Government and concurrently Provincial Commissioner of Civil Affairs for Charhar) was appointed Chief Superintendent for Election of Delegates from Charhar province to the National People's Congress; Chu Ching-chou, member of the Kansu Provincial Government Committee and concurrently Provincial Commissioner of Finance for Kansu, having tendered his resignation, was relieved of his substantive and concurrent duties. Chen Tuan was appointed member of the Kansu Provincial Government Committee and concurrently Provincial Commissioner of Finance for Kansu.

Murder Suspects Held by District Court, But Not Charged

According to the *China Press*, no charges will be preferred against the four suspects in the Nakayama murder case who were questioned in the First Special District Court, this week; they will be detained, however, for questioning later. The four suspects who were held in connection with the murder of Warrant Officer Nakayama on November 9 are: Tseu Kwei-sung, Ching Dao-joen. Zung Eng-ming and Tsang Tse-ming, alias Tsang Yu-hua.

The *Evening Post* stated that evidence to the effect that the now defunct Southwest Political Council was behind the murder of Kosaku Kayau, Japanese clerk, who was found on Chi Mei Road on July 10 with a bullet through his head, was given by two of the four men now held by Settlement Police authorities. It has been claimed by these two men that the murder of Japanese subjects was ordered by the southern group for the purpose of creating a Sino-Japanese incident that would flare into an open outbreak.

Japanese to Exploit Woollen Industry in North China

The Japanese Colonial Office has decided to develop the woollen industry in North China with a capital of $1,500,000.

According to the present plan, the Japanese Government will organize an Oriental Woollen Industry Association. In the first year, $200,000 will be spent by the association for the investigation of the production of sheep wool in North China, a Tientsin message in the *Shun Pao*, Sept. 11, stated.

Japanese to Exploit Another Coal Mine in North China

An agreement will be signed in the near future for the exploitation of the coal mines in Suanhwa with Japanese financial and technical assistance, a Tientsin message to the *Chunghwajihpao*, Sept. 10 stated.

East Suiyuan Situation Will Not Affect Peace in North China, Says Chen Chueh Sheng

The present situation in east Suiyuan will not affect general peace and order in North China, opined Chen Chueh-sheng, Managing-Director of the Peiping-Liaoning Railway, at Tientsin Sept. 1. Referring to the much heralded Sino-Japanese economic co-operation in North China, Mr. Chen stated that although there have been verbal exchanges of views between Chinese and Japanese authorities no concrete plans have so far been formulated. Gen. Sung Cheh-yuan, Chairman of the Hopei and Chahar Political Council, he added, has repeatedly declared that any project for Sino-Japanese economic cooperation must be worked out on the principle of mutual benefit.

Japan to Send Another Economic Mission to South China

Officials and business leaders in Tokyo are busy organizing another mission to conduct an investigation into economic and political conditions in South China. Members of the mission will leave Japan on October 3 and will spend about one month in the provinces of Kwangtung and Kwangsi, according to a Tokyo message in the *Central China Daily News*, Sept. 11.

Detachments to Inspect Japanese Goods Formed in Kwangsi

Special detachments, whose function will be to conduct inspections in shops and stores in order to discover goods of Japanese origin, were organized by the Anti-Japanese Association of All Circles of Kwangsi on September 9, a *Tatung* News agency message from Canton Sept. 11 stated.

Sino-Japanese Economic Co-operation Not Progressing, Says Wang Keh-min

Wang Keh-min, the Chairman of the Economic Department of the Hopei-Chahar Council, after an interview with the Japanese Chief of Staff of the Tientsin garrison in Tientsin Sept. 11, said that no progress has been made in the negotiations. "The key to the solution of the problem lies with the Japanese," he said. Mr. Wang added that Japanese lack sincerity in the negotiations.

Construction of Changshih Railway by Japanese Opposed by People in That Area

The construction of the Changchow-Shihchiachwang Railway by the Japanese has met strong opposition from the people in that area, according to a Tientsin message in the *Laichow Jih Pao* Sept. 2. At a mass meeting held in Changchow a decision was reached to the effect that the people along the Changchow-Shihchaichwang Railway will use armed force to protect their territory.

Tientsin Sino-Japanese Power Firm Declared Illegal—To Borrow $4,000,000

The reconstruction and legislative commissions of the Hopei and Chahar Political Council Sept. 12 ruled illegal the recent formation of the Tientsin Electric Power Co., Ltd. The firm, capitalized at $8,000,000, was financed partly by the Hsingchung Kungssu, North China subsidiary of the South Manchuria Railway Co. Its formation on Aug. 20 was hailed by Japanese in North China as marking the first step in the much-heralded Sino-Japanese program for the economic development of this part of the country.

Interviewed, representatives of the Hsingchung Kungssu declared that they would push the project regardless of the commissions' rulings. The plans of the firm include the erection of a 20,000 kilowatt steam-operated power plant to serve the First Special Area (which at present has no source of electric supply of its own), and also factories in the adjoining Japanese concession. Sixteen thousand shares were sold, each being valued at $50. First payment on each debenture was $25. Chang Tsu-chung, mayor of Tientsin, is chairman of the board of directors.

Later reports stated that the recently organized Power Company, jointly owned by Sino-Japanese interests, is negotiating with the Hsin Chung Company, a Japanese concern, for a capital loan of $4,000,000. Japanese technical experts for the company have already arrived in Tientsin.

Construction of the company's power plant, it was stated, would be started this autumn.

THE BACKWARD CHILD.

Parents are often worried when their child is backward, ailing in health, and behind his school mates in progress, and are at a loss to know the reason. Frequently there is

A SIMPLE CAUSE

underlying the trouble, which is none other than partial constipation, for when elimination of the waste matter is not complete poisons are set up in the system which affect the child both

MENTALLY AND PHYSICALLY

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Woman Drug Trafficker Executed in Hsuchow

Probably the first woman to have been given capital punishment for violation of the drug trafficking law was shot by a firing squad in Hsuchow Sept. 11. The woman in question was arrested in Hsuchow recently on charges of trafficking in narcotic drugs in Kiangsu, Anhwei, Shantung and Honan in collaboration with Korean ronins. She was paraded through all the main streets before she was led to the execution ground. Wu Hsi-peng, one of her accomplices, was sentenced to ten years imprisonment.

Three More Drug Peddlers Executed at Peiping

Three drug peddlers were executed in Peiping Sept. 12. Their death brings the total number of such peddlers executed on the same charge this month in the old Capital to ten.

Difficulties of Opium Suppression in Chekiang Related by Special Agent

Despite rigid opium-suppression measures being taken by the authorities, during a recent province-wide inspection more than 800 opium cases were reported and over 1,500 addicts detained in Chekiang, according to Wu Wang-hsi, special opium suppression agent for the province, in a petition to Gen. Chiang Kai-shek, Director General of Opium Suppression, Sept. 13.

244,413 Drug Addicts Registered in Shensi

A *Central News* message this week stated that a total of 244,413 drug addicts in Shensi have registered, (up to the end of August), with the provincial opium-suppression board for cure.

U.S. Increases Pacific Coast Guard with of View to Stopping Narcotics from Orient

In a drastic attempt to halt narcotic smuggling from the Orient, the U.S. Treasury Department Sept. 11 ordered an increase in the strength of the coast guard along the Pacific Ocean. This involves a shift of cutters and patrol boats away from the Atlantic coast, concentrating their strength on the Pacific coast.

Japanese Drug Manufacturers Caught in Tatung

A number of drug manufacturing devices and a quantity of contraband were seized in a Japanese residence at Tatung, northern Shansi, by the Hsien authorities, Sept. 14. The culprits, Japanese citizens, were escorted to the Japanese Consulate at Kalgan for questioning.

U.S. Army Purchase of Java Sugar Arouses Philippine Opposition

The recent approval by the Quartermaster-General of the U.S. Army at Manila of a purchase of Java sugar, has brought protests from Philippine interests and resulted in a suggestion that the practice be avoided in the future. Under the law in the United States imports for actual consumption in the army enter free. Filipino interests object to this competition with the local sugar. The Department of State Sept. 11 gave details regarding an alleged violation of the United States-Netherlands reciprocity treaty, which was to extend to the dependencies of each. The alleged violation occurred in connection with the importation of coconut products into Java from the Philippine Islands. Officials in the Netherlands Indies treated the products in the same category with foreign products, claiming that the status of the Philippines has been changed as a result of the Independence Act and the inauguration of the Commonwealth.

Acting High Commissioner Appointed for Philippines

J. Weldon Jones has been appointed acting High Commissioner of the Philippines, replacing Frank Murphy, who was given two months' leave of absence by President Roosevelt so he could campaign for the governorship of Michigan.

Philippine Aerial Taxi Co. Completes Millionth Mile of Flying

The Philippine Aerial Taxi Co., which started operation in February, 1931, recently completed its first 1,000,000 miles of flying. No passenger was injured and no plane was cracked up. Out of 968 days of service, there was airplane communication between Manila and Baguio on 960 days. The air mail went through when railways and bus lines were at a standstill because of typhoons and floods. Last year the city of Baguio was isolated for four days, but was able to read of its plight, daily, in Manila newspapers. In the Philippines the 1,000,000 miles have been accomplished on a run of only 100 miles.

Filipino Deportees Try to Escape at Shanghai

Three Filpino deportees from the United States who were being kept confined in a locked cabin on the s.s. *President Taft*, managed to escape from their detention while the ship was at the wharf in Pootung Sept. 11. They had secured a supply of drink, armed themselves with various weapons, such as a cleaver, a rusty butcher knife and razor, and fought off efforts of ship's officers and guards to capture them. The wild Filipinos were subdued by sheer force after about a quarter of an hour and put under guard at the Pootung Bureau of Safety gaol nearby. Two guards, an Indian and a Chinese, were beaten by the recalcitrants, while one of the Filipinos was painfully burned when he was shot with a tear gas gun by the chief engineer of the liner. They are being held by the U.S. Court for China for trial.

Japanese Celebrate Mukden Anniversary—Students Plan Mass Meeting

The Japanese were preparing during the week to celebrate Sept. 18 with appropriate ceremony, this being the anniversary of the taking of Mukden five years ago. One of the incidental features of the approach of this event was that the Soviets and Japanese each accused the other of fomenting propaganda directed against their respective countries.

The Executive Yuan in a circular order Sept. 11 ordered all provincial and municipal authorities throughout the country to be on the alert to ward off any possible attempts against creating disturbances. Recalling the Government's mandate several days ago calling for the adequate protection of foreign nationals in China, the Executive Yuan urged that all local authorities must carry out their duty without fail.

A Shanghai message to the *Tokyo Jiji* Sept. 7 stated that an anti-Japanese movement had suddenly started in Shanghai, much to the indignation of the Japanese here. The anti-Japanese movement took the form of a campaign to collect a fund at the hands of the Federation of Save-the Country Association in Shanghai for the assistance of the Northeastern (Anti-Japanese) Volunteers for three days in accordance with a resolution adopted by the Federation some time ago.

Precautions were taken by the police of the three Shanghai areas with a view to preventing disturbances on the occasion of the anniversary of the taking of Mukden Sept. 18. The Japanese papers announced that the Shanghai General National Salvation Association and the China Students' National Salvation Federation were planning to stage a mass meeting and a parade for the day.

Armed Japanese Students to Have Season's First March

Carrying rifles and military equipment kits, 350 students of the Japanese Commercial School, Pingliang Road, Shanghai, will have the first march of the current school term, Sept. 19, the local Nippone papers reported.

Chinese Christian Colleges to Get $1,200,000 from U.S.

Forty representatives of the Associated Boards for Christian Colleges in China met in New York Sept. 10 and decided to raise $1,200,000 during 1936. This sum will be divided among eleven leading colleges in China.

Nanking School Children to Have X-Ray Examinations

As a step towards ensuring school children against tuberculosis, all students in the Nanking schools, numbering over 120,000, will receive X-ray examination of their lungs under the auspices of the Metropolitan health authorities.

J.B.Tayler Makes Study of Educational Conditions in Northwest

J. B. Tayler, Professor of Economics of Yenching University and member of the Sino-British Boxer Indemnity Refund Board, who was commissioned to make a study of the educational conditions in the Northwest, arrived at Lanchow Sept. 11 from Peiping. Mr. Tayler's present trip is connected with the recent decision of the board to allot a sum of $200,000 as subsidies for the development of secondary education in Kansu, Chinghai, Ninghsia and Suiyuan. Distribution of the fund will be based upon the result of the study of the actual educational conditions in these provinces and their needs made by Mr. Tayler and his party.

Shanghai "U" Opens With Record Enrollment

The University of Shanghai opened Sept. 9 with a record attendance. Over a thousand students are enrolled in the divisions on the riverside campus, which include the primary school, middle school, and college. The administration of the university is experiencing difficulty in restricting the enrollment, and many students are being turned away. Even old students who come late will not be able to find accommodations, according to T. K. Van, the dean of the university. Among the new students enrolled there is one American student, Lloyd Millegan, from Linfield College, of which Dr. E. J. Anderson is the president. Dr. Anderson was formerly a member of the faculty of the University of Shanghai, and he has arranged for an exchange of students between the two institutions.

Thirteen Girls Admitted to St. John's University

Thirteen girls were admitted on trial to different schools of arts and sciences of St. John's University when they opened for the autumn term Sept. 7. The co-eds are all former students of St. Mary's Hall, sister institute of the University. At present only graduates of St. Mary's are qualified to apply for entry as coeds; even these are not furnished with board and lodging on the campus. The total number of students registered is now around 450, although it is expected that the number of late registrations will soon bring the total up to 500, which is the same as last semester.

Nanpu Middle School Will Open Girls' Department Next Spring

The Nanyu Middle School, established by the Nankai University of Tientsin, was opened Sept. 10 for the admission of students. Dr. Chang Po-ling, President of the University, was due in Tientsin Sept. 17, to participate in the official inauguration. Next spring, a Girls' Department will be started.

Pan-American and C.N.A.C. to Use Hongkong Airdrome

Confirmation was obtained in Nanking Sept. 12 from official Chinese circles that the China National Aviation Corporation has been granted the rights to extend its Shanghai-Canton line to Hongkong to effect connections with the trans-Pacific airliners of the Pan American Airways.

Negotiations in this regard instituted by the Chinese authorities with the British authorities in Hongkong, which have lasted for several months, have been successfully concluded, leaving only details to be worked out later.

It was confirmed also at Hongkong that Hongkong will become the western terminal for Pan-American Airways trans-Pacific mail and passenger service, using Kaitak Airport, which is suitable for use by either land or sea plane.

A *Reuter* message from Canton Sept. 14 stated that the news that the Hongkong Government had decided to permit the planes of the China National Aviation Corporation to land in Hongkong was greatly welcomed in Canton. The new arrangement means, in effect, that previous objections by the British Government to Chinese commercial planes landing in Hongkong without China granting reciprocal rights for British planes to land in Chinese territory have now been withdrawn. The decision to permit Hongkong to become the Asiatic terminus for the Pan-American Airways Corporation's forthcoming trans-Pacific air service is also welcomed.

Pan-American Airways, it was stated originally, intended to use Macao for the purpose, owing to the British Government having hitherto refused permission for American and Chinese planes to land in Hongkong. The American concern is financially interested in the China National Aviation Corporation, and it is presumed that this Chinese company will provide an aerial network from Hongkong to all parts of China. In addition, Pan-American Airways has reached an agreement with Imperial Airways, whereby passengers travelling by Pan-American machines may transfer to Imperial Airways machines, or vice versa. It is understood that Pan-American Airways has also negotiated an agreement with the Hongkong Government regarding the carriage of mails to and from the United States.

Trans-Pacific Passenger Service to Commence in Near Future

Pan-American Airways will commence weekly passenger service from San Francisco to Manila within a month or two, Daniel C. Roper, Secretary of Commerce, announced in Washington, Sept. 9. The inspectors of the Department of Commerce, who recently covered the trans-Pacific route, had submitted an informal verbal report, Mr. Roper said, and the written report which would be submitted later would suggest a few improvements.

China Aviation League to Be Amalgamated End of September

The China Aviation League will be formally amalgamated into the newly created China National Aviation Reconstruction Association at the end of this month, according to a decision reached at a meeting held by the Board of Directors of the League Sept. 8.

Air Mails Reach Europe from Shanghai in Ten Days

The air mails forwarded from Shanghai via the Canton-Hanoi and Hanoi-Marseilles lines on August 27 were duly delivered in Paris and London on Sept. 6.

China Will Have 30 New Fighting Planes as Result of Chiang Birthday Fund

At least 30 modern fighting airplanes will be added to China's defence forces Oct. 29 (15th day of the ninth moon) on the occasion of General Chiang Kai-shek's birthday. During the past several months there have been almost daily telegrams concerning funds raised in various Chinese cities and abroad as contributions to the fund. More than three million dollars has been pledged for the fund, Shanghai alone contributing about one million dollars. Technically, General Chiang will not receive the gifts. The planes are to be presented to the National Government in honor of the Generalissimo as he passes the half-century mark. General Chiang has repeatedly made known his opinion through close secretaries that he would frown on any "forcible mesaures" for the raising of funds to buy the gift planes.

German Plane Starts Atlantic Flight from Steamer's Deck

The German flying boat *Zepher* reached Port Washington, a suburb of New York, Sept. 10. It was catapulted from the deck of the s.s. *Schwabenland* at midnight the previous night in the harbor of Horta, Azores, on a non-stop flight to Hamilton, Bermuda.

Kweiyang-Kunming Route Suspended

In view of the shortage of suitable machines, the China National Corporation has decided to suspend the Kweiyang-Kunming section of the Chungking-Kunming airway. The branch station at Kunming has been abolished, the staff being transferred to Hankow.

Temporary Nanking-Kiukiang Air Service Suspended

According to information from the China National Aviation Corporation, airplanes on the Shanghai-Hankow line can now land at Kiukiang and therefore the Nanking-Kiukiang temporary service has been suspended.

In the United States Court for China

In re.
LAST WILL and TESTAMENT of NORMAN THORPE SAUNDERS, Deceased

Cause No. 4113
Special Proceedings No. 1992
NOTICE
Filed at Shanghai, China, September 11, 1936.
William T. Collins, Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of Norman Thorpe Saunders, deceased, to present the same with vouchers to the undersigned on or before March 19, 1937, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Mrs. Vesta Baldwin Saunders,
319 Route Ghisi,
Shanghai, China.

Shanghai, China.

In the United States Court for China

In re.
the MATTER OF THE ESTATE of WILLIAM PENN HUGHES, Deceased

Cause No. 4114
Special Proceedings No. 1993
NOTICE
Filed at Shanghai, China, September 11, 1936.
William T. Collins, Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of William Penn Hughes, deceased, to present the same with vouchers to the undersigned on or before March 19, 1937, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Cornell S. Franklin, Admr.,
149 Yuen Ming Yuen Road,
Shanghai, China.

Shanghai, China.

First Through Train South on Canton-Hankow Line Carried More Than 200 Passengers

Carrying more than 200 passengers and a large consignment of freight, the first south-bound through train on the Canton-Hankow Railway arrived in Canton at 10.55 p.m. Sept. 6 from Hsuchiapeng, Wuchang. The train started from Wuchang 11.30 p.m. Sept. 4 and therefore completed the trip in less than 48 hours. The fares fixed are as follows: First Class $36, Second Class $24, and Third Class $12.

Through Steamer and Rail Transportation Agreement Made in Chengchow

Measures for the institution of land and water through transportation between the Lunghai and the Tatung-Puchow Railways and steamers of the China Merchants Steam Navigation Company were decided upon at a meeting of representatives of the two Railway Administations and the Navigation Company in Chengchow Sept. 5.

Private Railway Line in Shantung to Be Bought by Government

A draft agreement for the purchase of the Changtien-Poshan Light Railway, a private line connecting with the Kiaochow-Tsinan Railway in eastern Shantung, has been formulated as a result of a conference with representatives of the Government and the Changtien-Poshan Railway. The purchase price will be $780,000.

Peipinglu-Liaoning Administration to Take Care of Tsangshih Line Construction

Affairs concerning the construction of the projected Tsangchow-Shihchiachuen Railway, which has hitherto been in charge of the Communications Committee of the Hopei-Chahar Political Council, will in future be placed in the care of the Peiping-Liaoning Railway Administration.

Canton-Hankow Railway to Be Extended to Whampoa

The Nanking Government is reported to have reached a decision to extend the newly-completed Canton-Hankow Railway to Whampoa, where, under the regime of Gen. Chen Chi-tang, it was planned to develop a deep-water port, at a cost of about $30,000,000, to rival Hongkong.

Hunan-Kweichow Railway Work Awaits General Chiang's Decision

A message from Changsha Sept. 10 stated that construction work for the projected Changsha-Kweiyang Railway will be started as soon as Gen. Chiang Kai-shek makes a final choice of two suggested routes.

Chang Kia-ngau Travels to Canton Over New Line

Chang Kia-ngau, Minister of Railways, arrived at Canton on his inspection tour via the Canton-Hankow Railway Sept. 10, accompanied by Messrs. Teng I-kuang and Hou Chia-yuan, Directors of the Engineering Bureaus for the projected Chengtu-Chungking and Hunan-Kweichow Railways respectively, and Ling Hung-hsun, Managing-Director of the Canton-Hankow Railway. A dinner in honor of Minister Chang was given by Tseng Yang-fu, Mayor of Canton and Vice-Minister of Railways, in the evening.

New Railway Link at Nanking Inspected by Official Party

An official inspection of the newly-completed link between the Nanking Municipal Railway and the Kiangnan Railway, which leads to Wuhu, was made by Mayor Mao Chao-chun Sept. 7. Three coaches containing the Mayor's party, and a group of municipal engineers including A. Paul Law, Chief of the Bureau of Engineering and Construction of the Nanking Municipal Railway, and a number of government officials, traversed the line from the Yu Hua Road station to the Chung Chen Road station.

Aerial Survey Made of Proposed Railway in Southern Shensi

An aerial survey of the Paoki-Chengtu section of the Lung-Hai Railway was started Sept. 11, when photographs of the topographical conditions of the Chinling (hills), in southern Shensi, were taken.

Szechuen Works Energetically to Develop Inter-Provincial Highway System

In order to foster better communications, energetic efforts are being made by the Szechuan Provincial Department of Reconstruction for the completion of its highway network to link up the seven neighboring provinces. The Szechuan-Shensi and the Szechuan-Kweichow Inter-Provincial Highways are now in operation. The Szechuan-Hunan Highway is nearing completion and will be ready for service within the next two months. The building of the Szechuan-Hupeh and the Szechuan-Hsikang roads is being pushed forward; and the surveying of the Szechuan-Yunnan and the Szechuan-Kansu highways will soon be completed.

In order to complete the Hupeh-Shensi Inter-Provincial Highway at an early date, Chang Tso-chou, an engineer of the National Economic Council, proceeded to southern Shensi this week to survey the Paiho-Ankang (Hingan) section. The Laohokow-Paiho section, on the Hupeh-Shensi border, has already been completed; and omnibus service is now in operation.

The National Economic Council has received a telegram from General Yu Hsueh-chung, Chairman of the Kansu Provincial Government, requesting that a further remittance of $200,000 be made for the completion of the projected Kansu-Sinkiang Inter-Provincial Highway. The N. E. C. referred the application to the Ministry of Finance.

A loan agreement concluded by the Provincial Department of Reconstruction with banking circles for $2,400,000, for the construction of highways in the province, was approved at a meeting in Kaifeng, Sept. 11. of the Honan Provincial Government Committee, of which General Shang Chen is Chairman.

The Hwangkwoshu-Panhsien section of the Yunnan-Kweichow Inter-Provincial Highway, under construction by the Highway Bureau of the Provisional Headquarters of the President of the Military Affairs Commission since last winter, has been completed.

The south-bound Canton-Hankow train which left Hankow for Canton on Sept. 11 was halted at Paishihtao, North Kwangtung, by heavy boulders which rolled down from the mountain side and blocked the track. Engineering corps were immediately dispatched to the spot to remove them.

Eight passengers were killed and thirteen others seriously injured when the No. 22 northbound train from Canton collided with a Hengchow-bound bus at Yichiawan Station near Changsha on the morning of Sept. 14.

Installation of the Shenchow-Sian section of the Honan-Shensi long-distance telephone was completed last week.

National Government Decree Urges Duty of Rendering Military Service

A decree was issued by the National Government of Nanking Sept. 10 in connection with the problem of compulsory military service.

"In modern times" said the decree, "the system of 'every citizen a soldier' has been put into effect in every nation, inasmuch as the strengthening of the national fighting unit is the only way to effect a renaissance of the nation. In olden days, every peasant was a soldier, but later on, soldiers were enlisted and paid for their services, thus marking the difference between soldiers and peasants. No reform has yet been made in this system of enlistment, which has spoilt the morale of the people. A large sum is required to support these hired soldiers. Furthermore, in the event of emergency, the number of soldiers is not sufficient to defend the vast territory of the nation. As to the detailed plans of military service by the people, a decree was issued on March 1 this year for enforcement. While these plans have now been carried out by the authorities of the different districts, the nation must realize that to give military service to the nation is the duty of every loyal citizen of China."

The Yosemite Conference as Seen by New York Commentators

A *Havas* message from New York Sept. 12 quoted political commentators there as stating that the idea that dominated the Institute of Pacific of Relations conference at Yosemite was that the problems of the East and West are now more closely linked than ever. Particular importance is attached by observers in New York to the presence at the conference of Albert Sarraut, one-time Premier of France, and Kenkichi Yoshizawa, head of the Japanese delegation, one-time Minister to China, believed by some to be marked for the post of Japan's Premier in the future. An important part was also played at the session by the U.S.S.R.'s delegation. From the economic point of view, the problem of Japan's commercial and industrial expansion retained particular attention of the meeting. A thorough study of the question was made by the conference, revealing that the anxiety caused abroad by the vertiginous development of Japan's trade was due to the rate of its acceleration, rather than to its present volume. The belief was expressed that the present intense competition would subside upon the conclusion of trade treaties between Japan and various powers concerned. Serious differences of opinion became particularly noticeable when the conference tackled the political aspects of Pacific problems, which were discussed this year with much greater frankness than during any of the Institute's previous sessions.

No ground for understanding was found during the session by the Chinese and Japanese delegations, leading to the conclusion that the Sino-Japanese problem could not be solved satisfactorily at present. The general impression was that China is actively preparing to resist Japan's exanpsion south of the Great Wall.

The Russo-Japanese tension was also the subject of lively debates. The observations and reports submitted by U.S.S.R's delegates permit of concluding that Soviet Russia must henceforth be regarded as a foremost factor of peace or war in the Far East. The development of U.S.S.R.'s military strength, it is opined, has radically changed the distributional balance of international forces on the Pacific.

Who's Who in China

Tinghua H. Sun, Government official; born in Shanghai, 1904; was educated in St. John's University, but subsequently joined Kwang Hua University after the May 30 incident and was graduated from its first class with B.A. degree in political science, 1926; he was appointed chancellor of the Chinese Consulate in Samarang, Java, but after the establishment of the National Government in Nanking, he returned to China and served in the Ministry of Foreign Affairs, 1928-30; probationary consul and later vice-consul of the Chinese Consulate-General in Sydney, Australia, 1930-34; now technical expert of the Internal Revenue Administration, Ministry of Finance; address: Internal Revenue Administration, Ministry of Finance, Customs House, Hankow Road, Shanghai.

孫廷華
Tinghua H. Sun (Sun Ting-hua)

孫廷華號劍樵，年三十二歲，江蘇吳縣人，聖約翰大學肄業，因五卅慘案發生離校與諸師生倡辦光華大學，一九二六年第一屆畢業文學士，曾任駐爪哇三寶壟領事館主事，國民政府奠都南京後，即回國，一九二八至三〇年，供職外交部，一九三〇至三四年任駐澳洲雪梨總領事館隨習領事副領事等職，現任財政部稅務署技士，地址：上海漢口路江海關大廈財政部稅務署。

Belgian Legation to Be Elevated to Embassy Status

A *Kuo Min* message from Peiping Sept. 12 stated that the Belgian Legation in China and the Chinese Legation in Belgium would be elevated simultaneously to Embassy status in January next. Negotiations for the mutual elevation of the Chinese and Belgian diplomatic missions were started between the Ministry of Foreign Affairs and Baron J. Guillaume, the Belgian Minister, before the latter's recent departure. According to Belgian Law, an Ambassador must not be under 50 years of age. Because of this age limit, it is not likely that Baron Guillaume will be promoted for the present, and a new appointee will be named by the Belgian Government.

National Government Issues Mandate Honoring Dr. J. Leighton Stuart

On the recommendation of the Executive Yuan, the National Government Sept. 11 issued a Mandate of Commendation honoring Dr. J. Leighton Stuart, President of Yenching University, Peiping, for his eminent services in the cause of education in this country. The Mandate was based on a petition from the Ministries of Foreign Affairs and Education, which stated that Dr. Stuart had done his utmost for the development of the said University at various times, and had raised contributions amounting to $20,000,000. The Mandate mentioned that Dr. Stuarts' example has been followed by numerous Chinese and foreigners.

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160 Ave. Edward VII, Shanghai.

PAINTS AND PAINT WORK

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Phone: 34360

In the United States Court for China

CARL HENRY SCHNEIDER, Plaintiff, vs. NANNY M. SCHNEIDER, Defendant.	Cause No. 4107 Civil No. 1986 ORDER OF PUBLICATION Filed at Shanghai, China, September 3, 1936. William T. Collins, Clerk By Deputy Clerk

The object of this suit is an action for divorce

WHEREAS, plaintiff herein, by his attorneys, has this 3rd day of September, 1936, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 3rd day of September, 1936, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 3rd day of September, 1936, the plaintiff herein filed an affidavit to the effect that the defendant does not now reside in China nor never has she resided therein, and that defendant's last known address was 480 Park Avenue, in the city of New York, U.S.A.

NOW, THEREFORE, it is this 3rd day of September, 1936, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the CHINA WEEKLY REVIEW, SHANGHAI, CHINA, a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause her appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the 26th day of September, 1936, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

BY THE COURT:
Dated at Shanghai, China,
this 3rd day of September, 1936.

MILTON J. HELMICK
Judge.

Men and Events

Itaro Ishii, former Japanese Consul-General in Shanghai, departed from Tokyo Sept. 14 to assume his new post as minister to Siam.

T. Horiuchi, new Japanese Consul General in Tientsin, proceeded this week by plane to Nanking where he interviewed Ambassador Kawagoe.

Vincenzo Lojacono, Italian Ambassador to China, returned to Peiping Sept. 14 from Peitaiho and immediately resumed charge of the Italian Embassy.

The China Pharmaceutical Society, established for more than 20 years, will hold its annual meeting at the Y.M.C.A. in Nanking from Sept. 26 to 28.

James A. Mills has been appointed Tokyo correspondent for the *Associated Press* of America, during the absence of Glen Babb, Correspondent in Japan who has gone home on leave.

The second national inspection and jamboree of Boy Scouts from all parts of the country will be held at Nanking on National Independence Day, Oct. 10.

No butchering of any kind will be allowed on Oct. 4, International Animal Day, according to an order circulated by the Ministry of Interior Sept. 13.

The Rev. and Mrs. A. F. Ufford, of the American Board Mission at Shaoshing, Chekiang, returned to China on the *President Taft* Sept. 11 from furlough in America.

The 41st anniversary of Dr. Sun Yat-sen's first revolutionary attempt at Canton was commemorated at a memorial meeting held at the Shanghai City Kuomintang Headquarters Sept. 9.

Construction of the building of the Metropolitan Penitentiary, with a capacity of 200 inmates, has been completed. An inaugural ceremony will be held in the early part of October at Nanking.

The membership of the Board of Directors of the Shanghai Fish Mart, Ltd. is to be increased to 15. Of these, eight will represent the Government shares and seven the private shares holders.

Commander Clinton Elgin Braine, U. S. N., formerly on the Honolulu Station, arrived in Shanghai this week with Mrs. Braine and their son, and later proceeded to Tsingtao where he joined the U. S. S. *Augusta*.

T. V. Soong, member of the Standing Committee of the National Economic Council, accompanied by his wife and his brother, Soong Tzu-an, were the guests at dinner of Mayor Chou Hsiang-hsien at Hangchow Sept. 11.

Judge Milton J. Helmick in the U.S. Court for China granted Mrs. Germayne Sprott a divorce from C. B. Sprott, U.S. Navy, chief pay clerk at Hankow. Sprott was ordered to pay the plaintiff US$65 per month until further order of the Court.

Teobald Breihan, principal of the American School in Hankow, and Miss Caroline Sievers of Chicago were married in Hankow Sept. 12 in the German Church by the Rev. W. H. McLaughlin. Both Mr. and Mrs. Breihan are members of the Lutheran Mission Synod.

Shansi public functionaries who wear uniforms made of foreign material, henceforth will be fined a month's salary for the first offense and will be deprived of their jobs if they commit the same offense for the second time, a recent *Central News* message from Taiyuan stated.

Madame Chiang Kai-shek returned to Canton from Hongkong Sept. 11, accompanied by W. H. Donald, foreign adviser to the Generalissimo, and Col. Huang Jen-lin, Executive Secretary of the Officers Moral Endeavor Association.

A $350,000 health and sanitation project for the current year has been mapped out by the Fukien provincial authorities. According to the plan, a health bureau will be established under the control of the Civil Affairs Department of the provincial government with an yearly budget of $125,020.

Professor B. Ifor Evans, head of the Department of English of the University of London, is due to arrive in China during this month. Professor Evans comes here as the 1936 lecturer sent by the Universities' China Committee. He is to stay in the country for two and-a-half months. The Chinese lecturer to England for 1935 was Dr. Chang Peng-chun, who was invited by the Universities' China Committee at the suggestion of the Association. He left China in December of last year, and stayed in England for six months, his lectures being greatly appreciated.

Dr. Liu Lu-min, Secretary-General of the Federation of Chinese Lawyers, and Dr. Chen Yao-tong, Professor of Law of the University of Nanking, were elected members of the Council of the International Union of Lawyers at their Congress held in Vienna, Austria, Sept. 7. During the Congress, Dr. Chen read a paper on "The Organization of the Judiciary in China and Consular Jurisdiction in China." Dr. Chen's paper was much applauded. The Chinese delegates, who include Dr. Kiang Yung, ex-Minister of Justice, will leave for Shanghai shortly.

The Rev. Carl G. Soderbom of the Methodist Protestant Mission at Kalgan, accompanied by his wife, departed this week on furlough in Europe. Mr. Soderbom originally came out to Kweihua for the Scandinavian Alliance Mission. He joined the Methodist Protestant Mission in 1914.

Strings of ancient coins of the T'ang (6th century) and Sung (960-1270) dynasties, totalling some 3,400 pieces, have been unearthed at Tingchwang in Hsiangchen, about 70 miles south of Chengchow. The relics, reports reaching here state, were discovered by a farmer while digging an artificial well.

General Ho Chien and Chu Ching-lung, Chairman and Education Commissioner of the Hunan Provincial Government, have been elected chairman and vice-chairman respectively of the sixth annual Central China track and field meet, which opens in Changsha on Oct. 10, China's National Independence Day.

Anna May Wong, prominent Chinese movie star, returned to Shanghai this week after spending some time in Peiping studying Chinese drama. Miss Wong, according to the *Ta Kung Pao*, will proceed to England shortly. It is stated that Miss Wong plans to engage in dramatic performances on the legitimate stage and will not act any more in the movies.

The death of Canon G. E. Simmons, Secretary-Treasurer of the Canadian Church Mission, Honan, occurred at Kaifeng Sept. 10, following an operation for acute appendicitis. Canon Simmons, who was 59 years of age, had been a resident of Kaifeng for about 25 years, and came out to China from Canada, being a native of Stirling, Ontario.

The new University Building of Aurora University in Avenue Dubail, French Concession, Shanghai, was dedicated with appropriate exercises Sept. 12. A prominent feature of the dedication ceremony was a display of more than 5,000 volumes of books and engravings. One section was devoted to rare volumes of the 17th and 18th centuries dealing with China, many of them the work of Jesuit Fathers at Peiping.

Nobuzano Tsumura and Miss Toniyo Yanari, two Japanese residents of Platteville, Colorado, were taken into custody Sept. 9 at Davenport, Iowa, suspected of taking pictures of the government arsenal, which is near the Mississippi River. They were released the following day after the development of the films in their camera proved that they had not taken a picture of the Rock Island government arsenal.

In appreciation of his meritorious services in the institution of famine relief in Shensi and labor relief in Hunan in past years and in recognition of his voluntary assistance in the relief work during these years, the National Government is to be petitioned to award the Order of Brilliant Jade, 3rd Class, to Chao Shou-yu, the newly appointed Special Envoy to escort the Panchen Lama, "Living Buddha" of Tibet, on his return to Lhassa.

Chao Pu-ven, principal suspect in the Palace Museum Theft Case, died at Peiping Sept. 11 in the Police Hospital from wounds inflicted by himself with a pen knife when he was arrested two days previously. For failing to prevent Chao from committing suicide, three policemen—Chou Shih-yung, Liu Mei-wu and Chao Yu-chi—who escorted Chao when he stabbed himself, have been deprived of the reward of $1,000 which had been offered for effecting the arrest of the deceased.

An article by Barbara Miller in the *Los Angeles Times* Aug. 16 pointed out that Austrian-born artists predominate in the M.-G.-M. production of "The Good Earth" based on Pearl Buck's novel. Paul Muni has been selected to play Wang, the farmer; Luise Rainer will play O'Lan, peasant slave girl; Tilly Losch will appear as Lotus, calculating sing song girl. All three are Austrian-born. Cameraman Karl Freund is also a native of Austria.

Josef von Sternberg, noted Hollywood director and producer of a film entitled "Shanghai Express" was a visitor to Shanghai last week, enroute to Hongkong, Java and India. Mr. Sternberg is a native of Vienna and holds a Ph.D. degree from the Vienna University. He entered the movie industry as a film patcher and finally rose to be a writer and assistant director. Mr. Sternberg came to Shanghai from Peiping after six weeks spent in Honolulu, Japan and North China.

Lawrence D. Seymour, vice president of Dodge & Seymour, Ltd., N. Y., proceeded south on the *President Taft* Sept. 12, after a ten-day visit to Shanghai. In an interview before departing he said that with the increase of domestic manufacturing, China will undoubtedly and properly manufacture many of the products that have heretofore been imported from the United States and other countries, but this will not necessarily mean that American business with China will decline, as the wealthier Chinese will continue to use the best products from abroad.

Dario Beraha, wholesale jewel importer from Shanghai, was freed at San Francisco Sept. 11 of the charge of attempting to smuggle jewelry into the United States; he paid a small fine in the United States District Court. Although at the time of Mr. Beraha's arrest on July 29 it was asserted that he had with him $1,600 worth of jewelery, the charge against him at the San Francisco court involved only $157. Mr. Beraha explained to the court that the jewelry including an old watch and an old ring, constituted a gift to his fiancee, at present residing in Paris.

The death occurred last week at Hankow of Brother Benedict Snyder of the American Franciscan Mission at Shasi. Deceased was born in Dayton, Ohio, about 50 years ago.

An inquest by British Coroner Morris in Shanghai Sept. 11 into the death of 17-year old Robert Prince resulted in a verdict that death was due to rabies, following a bite from a cat several weeks previous to his death.

Nineteen Chinese students who are completing their education with funds provided out of the remitted portion of the British Boxer Indemnity arrived in London Sept. 14, among them being Miss Lai Po-kan of Hongkong University.

The bullet which lodged in Wang Ching-wei's back when a would-be assassin attempted to shoot and kill the former president of the Executive Yuan last November has not been removed, but every step will be taken to extract the bullet in the near future, according to Dr. Kurt Knoll, personal physician of Mr. Wang. Mr. Wang is now recuperating in Czechoslovakia.

Mrs. Adele Blood Hope, member of Tim Frawley's stock company when it toured the Far East almost 20 years ago, committed succide in Harrison, N. Y., Sept. 13. The deceased was about 50 years old and was well-known by many of the older residents in Shanghai. Worry over finances was indicated to have been the reason for Mrs. Hope's suicide.

The belief that the convocation of a World Economic Conference, or at least a meeting of industrial powers most concerned in world trade, will be urged by a number of delegates at the forthcoming session of the League Assembly, was voiced in Geneva, Switzerland, Sept. 11, following the publication by the League of Nations Secretary-General, Joseph Avenol, of a note on the world economic situation. The note will be joined to M. Avenol's general report to the Assembly. The note refuted the contention that the recovery was due to the re-arming activity of powers. The improvement began before any country increased its armament budget, M. Avenol declared.

Boies C. Hart, Vice-President of the National City Bank of New York, who had spent the last four and-a-half months looking over the business of the Shanghai office of the National City Bank, proceeded south this week to inspect branches of the bank in Hongkong and Canton. After visiting other cities in the Orient where branches are located, he will return to the United States by way of Europe. In an interview before leaving Shanghai Mr. Hart expressed praise for China's Silver Act, which he said had an immediate strengthening effect on China's exports. "The Act has apparently been most successful," he continued. "The Chinese Government has handled the situation in a very able way."

Three Chinese who were alleged to have beaten up Chinese employees of Anki Yoko, a Japanese machinery firm with offices at 690 Peking Road, were detained at the Louza Police Station, on the night of Sept. 10. The *Shanghai Mainichi* related that previously a Chinese had came to the offices of the firm and asked a Chinese employee who it was that had authorized the building of a warehouse in the rear of the offices occupied by the Anki Yoko. Before the employee could reply, the racketeer is alleged to have hit the clerk. When Japanese employees working on the second floor appeared on the scene, the attacker is said to have fled. He, however, returned with two companions, an hour later, and again attacked the Chinese employees and at the same time called them "traitors" because they worked for Japanese. When Japanese intervened this time, the Chinese are charged with having threatened to beat them up too. This was prevented, the paper said, by the timely arrival of Japanese Consular Police, who were later reinforced by S.M.P. officers from the Central District and Louza stations.

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New Books of Interest in the Far East

Chinese Author Describes New Life Centers in Rural Kiangsi

New Life Centers in Rural Kiangsi, a Report by Chang Fu-liang. National Economic Council, Nanchang, 1936. 31 pages.

This pamphlet is called Special Bulletin, Number Two, and besides a map, and a chart of the relationships of a rural welfare center there are nine concise reports of the various phases of Kiangsi's centers of New Life.

Mr. Chang wastes no time in narrating visionary plans. His report is simply a resume of work attempted and accomplished. The entire report holds one's attention. The sections on Co-operatives, Better Agriculture and Healthful Living are especially inspiring. The skilful blending of new and old in the following case shows the method used to win the confidence of the followers of the old ways. It concerns a district trained nurse, or midwife.

"Since the first case she has successfully attended many other difficult cases. Today her daily clinic is popular with expectant mothers of many villages. Pre-natal and post-natal examinations are the order of the day. She is welcome at all the homes of the villages, which the welfare center serves. Many woman address her as "Living Buddha." Buddha-like she has arranged with all the local midwives that she should attend every one of their cases to help them, but they could keep whatever remuneration is given."

The whole section on Co-operatives is worthy of repetition but we give only two paragraphs:

"Any difficulties met in the work of co-operatives come largely from the opposition of money lenders, who often are landlords as well. Chinese farmers are generally illiterate and know very little of the management of a co-operative society. The only educated elements in a village are the local gentry, landlords, money lenders and traders (sometimes they are all in one and one in all!). When a good man among them becomes a member of a co-operative and is elected as its head, the society has a bright future. A large number of co-operatives have such good men at the helm. While this kind of formation gives quick results, the danger lies in its top-heavy structure. Recently the Provincial authorities have decided to make progress slowly in limiting the number of co-operatiues and concentrating their energy in raising the quality of the societies."

"The majority of co-operatives in Kiangsi as in other parts of China consist of credit societies. This form of co-operation is simple, and is easily appreciate by the farmer. However, other forms of co-operation have also been pushed ahead such as marketing, supply and utility. Taking the co-operatives in the First Center as an example, there are 20 credit co-operatives consisting of 556 members and 31 preparatory societies of 855 members. The latter are a special type of a temporary nature; they form the co-operatives in the making. Similar organizations in other parts of China are known as mutual aid societies. At the moment there are also four marketing co-operatives on cane sugar. A sum of $1,800 had been loaned to the four societies, which by transporting 80,000 catties of brown sugar, locally produced, to trade centers 50 to 100 miles away for marketing, made a handsome profit of $2,000. Recently a refining process for brown sugar has been tried with the result that even a better profit can be made."

The sections on Education and Social Welfare are just as instructive. The final summary of the Three-Year Plan being followed in Kiangsi ends with a section headed *Wei* (Protection). These nine items are there enumerated.

1. At least 50% of the farmers have completed one month's training on self defense.

2. Among several Pao there is a health worker who looks after the health of the villagers and also there is a definite budget for this work.

3. Among several Pao there is a midwife who has received training.

4. All the children have been vaccinated against small-pox.

5. Among several Pao there is a trained man who looks after the health of the animals.

6. Each Pao has at least one improved well. Each large village has at least one improved latrine.

7. Among several Pao there is at least one public bath.

8. 70% of all the children of school age, young people and adults, who have had ringworm and trachoma, are cured.

9. There is not a single unburied coffin in the whole district."

(The Pao seems to be the smallest unit in the division of districts.)

This report is well prepared and, though it may have too much optimism it, at least shows that progress is being made and conditions are being improved.

Peiping, August 29, 1936. G.B.S.

University of Hongkong Professor Describes New Culture in China

The New Culture in China, by Lancelot Forster, Professor of Education in the University of Hongkong. With an Introduction by Sir Michael E. Sadler. London: George Allen and Unwin Ltd. 1936 7s. 6 d. net.

The word culture in the title of this book is used in its best sense, implying the whole social and institutional background as well as the world of thought. Political currents are not neglected. There is interpretation of the old as well as the new, but the emphasis, as the title implies, is put upon the Western influences upon present day China.

Illustration may be made by reference to the universities of China, which are described as making "a titanic effort to get into line with Western thought." Professor Foster has indeed a good many observations to make on education in China. He finds that the tenure of teachers' positions is too uncertain, too subject to personal influence; and that too much attention is given to lectures alone, as if they were the whole of the educational process. There is still need, he points out, to break away from the old tradition that made education a solace and an escape from political responsibility. Yet he finds the emphasis in education on the whole to be sound.

> "The question which the educated person has now to answer is not what are you doing in the political field by speeches, demonstrations, and processions, but what are you doing in the way of social work in helping the great mass of China to acquire the sort of knowledge that will bring about higher standards of life. Peking was devoting itself to politics in the past; Peiping is now devoting itself to economics, and the social social sciences and their application.

There are nineteen chapters in Professor Forster's book, devoted to various topics, including America and China, The Cantonese, The Stress of Life in China ("The Chinese leaves no margin."), East and West: Some Contrasts, Two Banks: A Contrast (Chinese and Western Methods), Shanghai, The Japanese Threat. The last chapter, and one of the most interesting, is on Dr. Hu Shih. Dr. Hu Shih is described as a realist who believes that China needs material improvements, and that she needs opposition in government. His greatest achievement has been the revitalization of the Chinese language, the result of which has been an increase, not a diminution, of the study of the ancient classics.

"He was reared in the school of liberty and therefore is opposed to dictatorships of any sort, for they are destructive of creative thought.

"His leading characteristics then, are his intellectual courage, his clarity of thought and his power of expression. He is revered because of the traditional respect the Chinese have for the scholar; he is feared because of his incisive criticism and his fearlessness in stating it."

Reports of the meetings of the Institute of Pacific Relations now taking place in the Yosemite serve well to illustrate these remarks. China has an increasing number too, of those who can thus speak out for her. And not only speak, but do the things that need to be done. The new culture of China is a very real thing, evident at all turns for those who have eyes to see. Professor Forster's book on the subject has freshness and a wise appreciativeness that make it very acceptable.

Aug. 29, 1936. D.R.

Some Historical Aspects of Birth Control

Medical History of Contraception, by Norman E. Himes, Ph. D., with foreword by Robert Latou Dickinson, M. D., F. A. C. S.; Published by Williams and Wilkins Co., Baltimore, Md., U. S. A.

This book, an exhaustive treatise, semi-scientific in character, disproves the popular notion that birth control was originated by Margaret Sanger and Marie. Stopes. Contraceptive methods, according to the author, have been employed since prehistoric times, there being in existence an actual recipe in writing on papyrus dated 1850 B. C.

All phases of the subject are covered, including technique before the dawn of written history in the Eastern and Western worlds, among primitive tribes in ancient and more modern times. Several chapters consider the modern aspects of the subject, commercialization of mechanical appliances, democratization of knowledge and future effects. The book has more than 500 pages, including some 60 pages on bibliography dealing with the subject.

Notes on Various Publications

The position of China's relations with Geneva from the cultural standpoint is described by Tze-hsiung Kuo in a new issue, Vol. II, No. 1, of the *Information Bulletin* entitled "China and International Intellectual Co-operation." The pamphlet gives a brief survey of the aims and activities of the International Intellectual Co-operation Organization, which acts as the chief liaison center for cultural relations between China and the League of Nations. Evidence of the close co-operation between these parties is enumerated, illustrating the problems and difficulties confronting China's cultural situation.

The *Chiaotung Student*, published by the Student Society of Chiao Tung University, is a volume of 200 pages, the text mostly being in Chinese. Several pages of introduction in English include a summary of an article by Hubert S. Liang on "China's Diplomacy During the Period of National Crisis," published in *The Review* of Aug. 8, last.

The Manchukuo State Railways is the title of an elaborate brochure of 52 pages (profusely illustrated) issued from the head office at Mukden, May 1936. In addition to economic information of a general character, there is included a summary of the contract between the Manchukuo Government and the South Manchuria Railway Co. for the taking over of all rail lines in Manchuria.

Cooperative Movement Described in C. of I. A. Bulletin

The Sept. 1 issue of the Council of International Affairs' *Information Bulletin* (Nanking) is devoted to the cooperative movement in China. The author, Lawrence M. Chen, says that one of the most important desiderata at the present stage of the movement is the training of personnel, without which the movement as a whole may suffer from being improperly directed. The Nankai University and the University of Nanking both train students specialising in undergraduate work, while the Yenching University specialises in post-graduate courses. The Central Political Institute of the Central Kuomintang, Nanking, has also started a College of Co-operation since 1933. The management of this college is under the direction of prominent members of the China Co-operators' Union, including Messrs. Wang Shih-ying, (Shao Mien-chen) and Chen Chung-ming. A one-year course is given, but it is hoped that a fuller course on co-operation may be given in the near future.

Social and Economic Progress of Mexico Shown in Bilingual Book

The *Social and Economic Program* of Mexico is the title of a book of more than 200 pages (with texts both in English and Spanish) giving the discussions on Mexican problems which took place at the ninth annual session of the Institute of Public Affairs at the University of Virgima in July 1935,

Reclamation of Waste Lands Expected to Lead to Exodus from Cities

A return to the rural districts of the large army of farmers who had fled to the cities to eke out a living as a result of rural bankruptcy is foreseen as a set of regulations governing the reclamation of waste lands in various provinces and municipalities which were promulgated by the Executive Yuan last week. Twelve provinces and two municipalities, namely, Kiangsu, Chekiang, Fukien, Anhwei, Kiangsi, Hupeh, Hunan, Szechwan, Kweichow, Honan, Kansu, Shensi, Nanking and Shanghai are designated in the regulations as places where reclamation should be enforced, beginning 1937, while in nine other provinces and municipalities, namely, Kwangtung, Kwangsi, Shantung, Shansi, Hopei, Yunnan, Peiping, Tsingtao and Tientsin, reclamation will start, beginning 1938.

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Appointment of Ambassador Tsiang Ting-fu and Sino-Russian Diplomacy

BY CHEN FU SHENG (陳福生)

As an unprepared and defenseless nation, China has but one weapon to wield—diplomacy. Viewed in this light, the acceptance of Dr. W. W. Yen's resignation as ambassador to Soviet Russia and the appointment of Tsiang Ting-fu as his successor are matters of great consequence. The Nanking government is avoiding a frontal clash with Japan. In the meantime, the government is engaged in arduous tasks of national unification and national rejuvenation. But the unification of China is Japan's abhorrence. Japanese attempt to divide and rule China; they use increased pressure to press for China's recognition of their ill-gotten gains and acquiescence in their new demands—exploitation of Chinese economic resources, conversion of China into Japan's protectorate. Whether China can avert an immediate clash with Japan and thus have time to devote to cultivation of her garden depends upon whether Chinese statesmen and diplomats can steal a march upon Japanese intriguers or keep in abeyance Japanese aggressive schemes.

Countries Most Concerned Over Far Eastern Developments

The countries most concerned over the developments in the Far East are Great Britain, the U. S. A., and U.S.S.R. In spite of her stupendous interests in the Far East, Great Britain is, at present, too much preoccupied in European problems to divert her attention to Far Eastern affairs. Further, Great Britain's failure to stem the advance of Fascist Italy into Ethiopia, plus Sir Simon's shortsighted policy of winking at Japanese actions in Manchuria, has dealt a fatal blow to Britain's prestige in the family of nations. In America, there is now an active and growing group favoring an isolationist policy, and withdrawal of American influence from the Far East. Though the advisability of America's abandoning the Far East and the feasibility of America's remaining neutral in the event of a European or Asian war, are open to doubt, yet the fact stands out conspicuously that America is retreating from the Far East notwithstanding her adherence to the Stimson Non-recognition Doctrine. The only country that cannot be a mere onlooker of happenings in China is the U.S.S.R. True, the present complicated situation in Europe is a cause of anxiety that keeps Soviet Russia on the watch; but it is Far Eastern developments that receive her major attention. Japanese moves in North China and Inner Mongolia are a menace to the peace of Soviet Russia.

A Sino-Russian Alliance?

Now, a problem arises, is Soviet Russia willing to enter into alliance with China? This is a blunt question that requires an involved answer. Being a weak country, China is not in a position to ally herself with any other nation. She only wishes to have a country who sympathizes with her cause, who helps her to help herself, and who proves to be a friend in time of need. Least does she intend to sign an offensive and defensive alliance with Soviet Russia. She simply desires to align herself with Soviet Russia in a common struggle against Japan's militarism so as to make the Far East safe for peace—a thing which is so dear to the hearts not of only Chinese and Russians but also the Japanese people.

New Era of Sino-Russian Friendship

Since the resumption of relations, China and Russia have been on good terms. Dr. W. W. Yen has paved the way for Sino-Russian rapprochement. Tsiang Ting-fu, the newly appointed ambassador to U. S. S. R., will we hope, use his influence to bring about closer Sino-Russian relations culturally, economically, and politically. As a prominent historian and diplomat, Ambassado Tsiang will, in all probabillty, turn the history of Sino-Russian diplomacy to a new leaf, a new era.

Will History of 1896 Repeat Itself?

Some casual students of Far Eastern politics may ask, Will the history of 1896 repeat itself? In 1896, China, with a view to playing off Russia against Japan, concluded a secret treaty with Russia; but after all, China had nothing to gain and much to lose. Li Hung-chang, a high diplomatic official of the defunct Manchu regime, knew nothing about diplomacy and naturally played into the hands of Machiavellian Russian diplomats. Things have, however, greatly changed in China since the establishment of the Republic. Besides, present-day Russia furnishes a striking contrast to Imperialist Russia. Perhaps it is no exaggeration to say that Soviet Russia nowadays has no territorial designs in the Far East. The late Dr. Sun Yat-sen saw the necessity of Sino-Russian cooperation. Unfortunately, not long after the death of Dr. Sun, out of the clear, blue sky came a thunderbolt of Chinese Comunists' tragedy—the Chinese Communists misunderstood Dr. Sun's real intentions and destroyed Sino-Russian friendship. Thanks to the tact of Dr. W. W. Yen, Nanking and Moscow again join hands. The task of cementing Sino-Russian friendship is left for Ambassador Tsiang to accomplish.

Foochow, September 8, 1936.

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137½	115⅝	4.00	American Can	124½	123¼
40⅜	29¼	0.30	Amer. Cyanamid "B"	33½	33¼
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24⅝	14¼	0.60	Coml. Solvents	15⅞	15⅝
5½	2¼	—	Commonwealth & Southern (ord.)	3¼	3¼
44¼	27¼	2.00	Consolinated Edison	42⅜	42⅜
15¼	11½	0.60	Consolidated Oil	12⅜	12⅛
38½	28⅛	1.00	Continental Oil	29⅞	30⅛
82¼	64	3.00	Corn Products	66⅜	65⅝
78⅜	50⅝	—	Douglas Aircraft	73¼	74
167⅜	133	3.60	Du Pont de Nemours	160½	160½
27	15⅜	—	Electric Bond & Share	23¼	22⅞
47⅜	34¼	0.90	General Electric	46½	46¼
43¼	33⅜	1.80	General Foods	39	38⅝
72⅜	53⅞	2.00	General Motors	66⅝	66⅞
50	32½	1.00	General Railway Signal	44	43½
21⅜	12⅝	1.05	Gold Dust	14	13⅝
31⅞	21⅜	—	Goodyear Tire & Rubber	24⅞	24⅝
76½	57	1.00	Humble Oil	64	63¼
57⅜	43¼	1.35	Internation Nickel	56⅞	57⅜
19⅛	12⅛	—	International Tel. & Tel.	12⅝	12½
48⅜	28¼	0.90	Kennecott	48⅜	48½
62	43	2.00	Loew's Inc.	59¼	59⅜
26½	21¼	1.20	Lorillard	22⅝	23⅜
103	79	1.00	Monsanto Chemical	97¾	96⅛
49⅞	35⅝	0.60	Montgomery Ward	48⅜	49¼
45⅝	31	1.00	National City Bank	41⅞	41⅛
28⅛	21	1.20	National Dairy Prods.	26⅞	27
33⅜	25⅝	2.00	National Distillers	29⅜	29⅜
14⅞	9⅝	0.60	National Power & Lt.	12	11⅝
45⅞	27⅜	—	New York Central	44¼	44⅝
36⅜	23⅛	1.00	North American	31⅝	32
41	30⅜	1.50	Pacific Gas & Electric	37¼	37
58⅜	47⅝	2.40	Pacific Lighting	52¼	52
13	6⅞	0.25	Packard Motors	12⅛	12⅜
40¼	28¼	1.00	Pennsylvania Railroad	38⅝	39⅛
49⅜	38⅛	1.00	Phillips Petroleum	40⅜	40⅛
49⅛	39	2.40	Public Serv. of N. J.	46	46
14¼	9¾	—	Radio Corporation of Amer.	11	11
58⅜	50	3.00	Reynolds Tobacco "B"	56⅞	57
52	37⅝	0.75	Schenley	44⅜	44⅛
88⅛	59⅝	2.00	Sears Roebuck	87	87
17	12⅛	0.60	Socony-Vacuum	13⅝	13⅝
32½	25	1.50	Southern California Edison	30⅛	30⅛
44	23⅛	—	Southern Pacific	42⅝	42⅜
18	14⅝	0.80	Standard Brands	15⅛	15¼
9⅞	5⅛	—	Standard Gas & Electric	8¼	8⅛
70	51⅛	1.00	Standard Oil Co. of N. J.	61⅞	60⅝
74	65	3.80	Sterling Products	71⅝	71¼
38⅞	33	2.00	Texas Gulf Sulphur	37½	37⅜
14⅜	11	0.30	Transamerica	13¼	13⅛
99¼	71⅝	3.00	Union Caride & Carbon	96⅛	96⅛
149⅜	108⅛	6.00	Union Pacific	140¼	137½
32⅝	20⅝	—	United Aircraft (New)	24⅞	25⅛
21	13	—	United Airline Trans.	16⅞	17
9¼	5⅜	—	United Corporation	7⅝	7⅝
19½	14⅝	1.00	United Gas Improvement	16¼	15⅞
59	31½	—	U.S. Indus. Alcohol	34¼	34
35	16⅝	—	U. S Rubber	30⅝	30⅝
73¼	46⅜	—	U. S. Steel	70¾	72
27⅞	16¼	—	Vanadium	24⅛	24⅛
14⅝	9¼	—	Warner Bros. Pictures	13⅛	13¼
145¼	94½	3.00	Westinghouse Electric	141	140⅛

Call Money: 1 %

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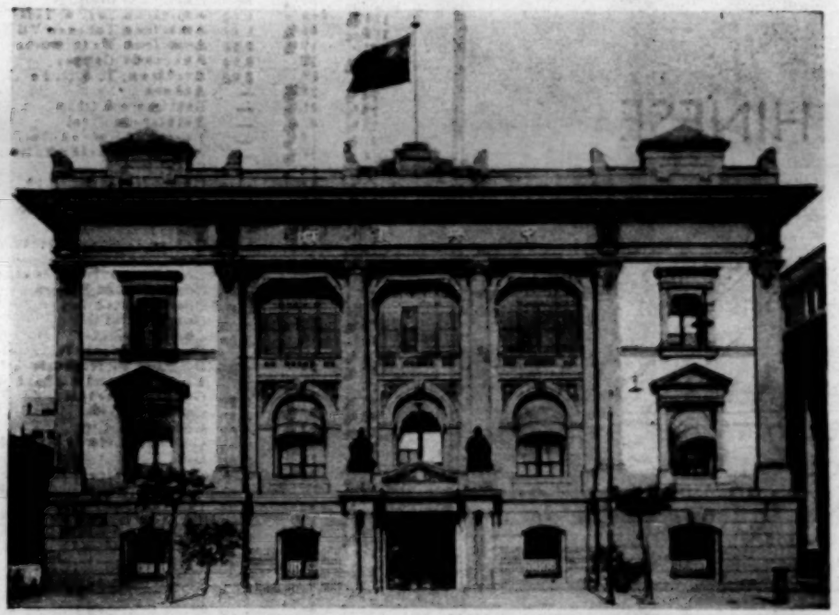

The Shanghai Office of the Central Bank of China

FUNCTIONS:—

To Underwrite Domestic and Foreign Loans
To Keep Custody of Legal Reserves of Other Banks
To Act as Clearing House for Banks
To Rediscount National Government Bonds, Domestic Banks' Acceptances, Commercial Papers, etc.
To Exercise Currency Control throughout the Country.

BRANCHES—All Important Centers of the Country.

CORRESPONDENTS—All Principal Ports of Foreign Lands.

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Chang Kia-ngau,
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